



Daily Report

Latin America

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Presidents' Summit Planned for Early Jan
*PA0112133188 Mexico City XEW Television
Network in Spanish 1303 GMT 1 Dec 88*

[Text] El Salvador will be the host country for the upcoming Central American presidential summit on 15 January.

The Central American foreign ministers in Mexico announced that the presidents will meet in El Salvador on 15 January.

In addition, the Central American foreign ministers announced that they will ask the UN secretary general to urgently coordinate the formation of the verification, control, and follow-up commission for the agreements dealing with ending rebel aid and irregular forces operating in the region.

The Central American foreign ministers said Canada, Spain, and the FRG, which are countries interested in Central American peace, along with the UN secretary general, will cooperate to verify the fulfillment of the regional peace agreements.

The ministers also talked about the Contadora Group and said they will seek ways to continue working with them.

The agreements reached in Mexico were signed by the foreign ministers of Nicaragua, Costa Rica, Guatemala, Honduras, and El Salvador.

Foreign Ministers To Meet in Managua in Dec
*PA0112171588 Tegucigalpa Televisora Hondurena
in Spanish 0100 GMT 1 Dec 88*

[Report by Jose Luis Soriano]

[Excerpts] The five Central American foreign ministers meeting in Mexico City reached an agreement in principle today to meet in Managua between 12 and

15 December. They will meet in their status as the Esquipulas II executive committee.

[Words indistinct] announced in Tegucigalpa today that the Central American foreign ministers will meet to prepare the agenda for the upcoming Central American presidential summit. [passage omitted]

Sources close to the Honduran presidential palace said the summit could be held before U.S. President-elect George Bush's inauguration. [passage omitted]

Ibero-American Congress on Solving Canal Issue
*PY0112145588 Madrid EFE in Spanish
0724 GMT 1 Dec 88*

[Text] Sucre, 30 Nov (EFE)—During its last session, the 6th Conference of the Ibero-American Congress Presidents today voiced its hopes that Panama will be able to find a peaceful solution to its problems involving the canal, in view of the aggression and intervention charges.

During yesterday's session Celso Carrizo, president of the Panamanian Legislative Assembly, denounced the aggression.

The document referring to Panama's conflict states that the canal is an international channel of common interest.

The resolution issued by the presidents of the Ibero-American Congress of 16 countries does not specifically mention the United States in compliance with a motion submitted by the Spanish delegation to the effect that it would not sign a document not in keeping with their foreign policy.

Cuba

Verifying Cuban Troop Withdrawal Nonissue *FL0112144288 Havana Tele-Rebelde Network in Spanish 1332 GMT 1 Dec 88*

[Text] GRANMA newspaper publishes today in its international news section, on page 6, the following report dated in Havana:

Cuba categorically denied South African reports that one of the subjects being discussed at the current quadripartite talks in Brazzaville is the question of verifying the withdrawal of Cuban internationalist troops from Angola.

Alcibiades Hidalgo, spokesperson for the Cuban delegation, said in Havana that those incomprehensible South African reports seem to be directed at satisfying needs of the internal policies of that country. Hidalgo emphasized that Cuba has a greater responsibility to international public opinion. It also categorically denies that the subject is on the negotiating table in Brazzaville, and that it could become an obstacle for the conclusion of the agreements.

Therefore, the spokesperson added that the Cuban Government is being forced to clarify that the verification of the Cuban withdrawal from Angola is not, and cannot be, among the matters to be discussed in the Congolese capital. This is matter which strictly concerns Cuba, Angola, and the United Nations.

The Cuban delegation to the current round of talks, which is being headed by Foreign Vice Minister Ricardo Alarcon, is in Brazzaville to clarify other issues, such as setting a date for signing the agreements between Cuba, Angola, and South Africa. He added that the delegation is there to discuss the date for the commencement of Namibia's independence in accordance with UN Security Council Resolution 435—a process which was delayed by South Africa, Hidalgo concluded.

Castro Receives Senator Pell; Pell Departs *FL3011125488 Havana Radio Progreso Network in Spanish 1200 GMT 30 Nov 88*

[Text] Claiborne Pell, chairman of the U.S. Senate Foreign Relations Committee, has concluded a visit to Havana. Pell was received here by President Fidel Castro.

Pell Comments

*FL0112163088 Bonaire Trans World Radio
in English 1130 GMT 1 Dec 88*

[Text] U.S. Senator Claiborne Pell ended a trip to Cuba saying that Cuba and the United States should take small steps aimed at improving relations.

Mr Pell said Mr Castro got very angry when the subject of the Radio Marti political broadcasts from Florida came up, calling them an infringement on Cuban territorial rights.

Castro's Activities at Inaugural Reported *FL0112220788 Havana Radio Reloj Network in Spanish 2102 GMT 1 Dec 88*

[Text] President Fidel Castro received today the warmest and longest ovation among the ones given to foreign chiefs of state attending the Mexican presidential inauguration. This took place at the packed Legislative Palace's meeting hall where outgoing President Miguel de la Madrid transferred the presidential sash to the new Chief of State Carlos Salinas de Gortari.

In his address to the nation, Salinas de Gortari mentioned the presence of eight Latin American and Caribbean leaders in the Congress' solemn session and when he called Fidel Castro's name, local and foreign guests stood up, and gave him a sustained ovation. The Cuban chief of state, who was on the hall's second floor balcony, had to stand up twice to express appreciation for the greetings.

Meets With Alfonsin

*FL0212031988 Havana Radio Reloj Network
in Spanish 0302 GMT 2 Dec 88*

[Text] Commander in Chief Fidel Castro held talks today with other Latin American chiefs of state invited to the inauguration. Fidel met with Argentine President Raul Alfonsin today at noon. They analyzed the situation in Latin America in general, the foreign debt, and the new international economic order, among other subjects.

The top leader of the Cuban revolution will meet with the new President Carlos Salinas de Gortari at the official residence of Los Pinos in the Aztec capital tonight.

Commander in Chief Fidel Castro Ruz was invited for breakfast this morning by Colombian President Virgilio Barco with whom he held a dialogue which was termed as positive by members of the Cuban delegation.

Meets Ortega, Barco

*FL011222288 Havana Radio Reloj Network
in Spanish 2103 GMT 1 Dec 88*

[Text] Commander in Chief Fidel Castro held talks in the Mexican capital today with Nicaraguan Chief of State Daniel Ortega. The two leaders spoke specifically of the Central American situation. They met in Mexico City's Presidente Chapultepec Hotel.

Nicaraguan Foreign Minister Miguel D'Escoto was present at the meeting. He later told reporters that his country will work positively toward the Central American presidents summit meeting on 15 January.

Fidel met later with Colombian President Virgilio Barco with whom he discussed various continental and international matters.

Mexican television reported on some of the various chiefs of state meetings and showed footage of our commander in chief talking with several figures.

Castro Presents Banner to Granma Contingents
FL3011203888 Havana Tele-Rebelde Network
in Spanish 1800 GMT 30 Nov 88

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, has presented a banner to the Celia Sanchez Manduley contingent which is in charge of building the Cauto el Paso Dam in Bayamo, Granma Province.

This hydraulic project will hold 400 million cubic meters of water and will be the largest one built in the eastern provinces when it is completed in 1991. The banner presentation took place a few moments before the main ceremony marking the 30th anniversary of the Guisa battle.

The commander in chief also presented a banner to the contingent which is building the Coroco Dam.

[Begin Castro recording] We will closely follow the results of your work. We will also closely follow your production costs because, it is with you that we are putting these new ideas to the test. I think that you will know how to rise to the glorious name of this banner. We are sure of this contingent; we are sure that you will know how to win this difficult battle. These battles for development are also difficult battles. I think that you will be worthy followers of the combatants who fought that great Guisa Battle. Today, the great battle is this one—the one that is being fought out in the countryside, in Cautillo, here in Guisa municipality, and on the bed of the Bayamo River. I am sure that you—today's heroes, our country's combatants of development and progress—will rise to the times and the historic moments we are living in. Fatherland or death, we shall win! [applause] [end recording]

Rodriguez Reads Resolution Conferring Medals
FL0212001588 Havana Tele-Rebelde Network
in Spanish 2330 GMT 29 Nov 88

[Council of State resolution read by Vice President Carlos Rafael Rodriguez during ceremony marking the 30th anniversary of the Guisa Battle in Guisa, Granma Province, on 29 November—recorded]

[Text] Whereas, Jose Marti Column One was the first rebel Army force created and the one that initiated and successfully led the guerrilla fighting in the Sierra Maestra during the first difficult months of the revolutionary war against the tyranny;

Whereas, Jose Marti Column One constituted the school in which a large number of combatants and command cadres of the rebel Army were trained and was the mother column from which the other rebel forces, which were formed throughout the entire war, were nourished;

Whereas, the combatants of the Jose Marti Column One were the ones who contributed decisively, with their heroic fighting, to the defeat of the large enemy offensive in the summer of 1958 in the first front territory. Its results decided the strategic course of the war. They were also outstanding players of the final offensive of the rebel Army on their way to Santiago de Cuba which determined decisively the military collapse of the tyranny and revolutionary victory;

Whereas, it is appropriate to recognize the Jose Marti Column One's significant contributions to the Cuban revolution. Because of this, it is suitable to confer orders to the column founders who joined it before the Uvero combat, according to their degree of participation in the founding of the column, and to confer the Jose Marti Column One Medal to all rebel combatants who were members of the column during the liberation war regardless of the date they joined and regardless of the fact that they may have joined another rebel column or fulfilled other revolutionary missions.

Therefore, the Council of State of the Republic of Cuba, with the authority vested on it, has approved the following resolutions:

To confer the Maximo Gomez Order, first degree, to Commander in Chief Fidel Castro Ruz [applause], Army General Raul Castro Ruz [applause], and Commander of the Revolution Juan Almeida Bosque [applause] for their outstanding participation in the founding of the Jose Marti Column One and the rebel Army and their brilliant role leading guerrilla fronts during the liberation war.

To confer the Maximo Gomez Order, second degree, to Division General Abelardo Colome Ibarra, Commanders of the Revolution Guillermo Garcia Frias [applause] and Ramiro Valdes Menendez [applause], and Colonel Efigenio Ameijeiras Delgado [applause], for their outstanding participation in the founding of the Jose Marti Column One and the rebel Army and their brilliant role in leading large guerrilla units during the liberation war.

To confer the Liberation Order, first degree, to the comrades listed in the attachment of the corresponding resolution for their outstanding participation in the founding of the Jose Marti Column One and the rebel Army and their important role as officers or rebel combatants during the liberation war.

To confer the Liberation Order, second degree, to the comrades listed in the attachment of the corresponding resolution for being founders of the Jose Marti Column One and the rebel Army.

To confer at this time the Jose Marti Column One Combatant Medal to the members of the "Granma" expedition and other founders of the Column One who joined it before the Uvero combat. To all the founders of the other rebel Army columns who came from the Column One and the comrades here present, combatants of the Column One, representing all of those who composed the column after the Uvero combat and until the triumph of the revolution.

To arrange for the aforementioned orders and medals to be presented in a solemn ceremony in Guisa, stage of one of the greatest and most far-reaching battles waged by the rebel Army during the liberation war, in which the combatants of the Jose Marti Column One had a decisive role, on the occasion of the 30th anniversary of the Guisa victory and days before the 30th anniversary of the triumph of the revolution. [applause]

Envoy Addresses United Nations on Apartheid
FL3011174888 Havana Tele-Rebelde Network
in Spanish 1200 GMT 30 Nov 88

[Text] Cuba warned the international community about what it calls chaotic maneuvers of South Africa—a country which is attempting to show a process of reforms in its regime of racial discrimination.

Oscar Oramas Oliva, Cuban ambassador to the United Nations, said that the essence of the apartheid system continues, and will continue, being the same as long as it is not completely eradicated. During a speech given at the UN General Assembly which is discussing South Africa's apartheid policy, Ambassador Oramas said that there cannot be neutrality with racism—which has been turned into a state philosophy by Pretoria. The Cuban diplomat called on the assembly to continue with and intensify the moral solidarity and material aid to the African National Congress and to not abandon the black people of that country in their struggle against racism.

Risquet Receives Zimbabwean Education Minister
FL0112201888 Havana Tele-Rebelde Network
in Spanish 1800 GMT 1 Dec 88

[Text] Jorge Risquet, member of the PCC Central Committee Politburo and secretary of the PCC Central Committee Secretariat, has received Dzingai Mutumbuka, member of the ZANU-PF [Zimbabwe African National Union—Patriotic Front] Politburo and minister of higher Education of Zimbabwe.

During the meeting, the two officials examined the positive progress that has been made in the relations and cooperation which exist between the two parties and governments. Other topics discussed were matters which will permit a gradual increase of bilateral ties in the areas of public health, education, and agriculture, among others.

Risquet and Mutumbuka preside over the joint cooperation committee between the two countries.

*** Castro, Others Analyze Varadero Development**
32480032a Havana GRANMA in Spanish 27 Sep 88 p 1

[Article by Candido Dominguez]

[Text] Commander in Chief Fidel Castro, first secretary of the Party Central Committee and chairman of the Councils of State and Ministers, chaired a meeting yesterday at which the tourism development plans for Varadero were discussed.

Members of the Council of State, top-ranking representatives of the country's tourism institutions, and party and government leaders of Matanzas Province participated in the session, which lasted nearly 9 hours.

At the end of the meeting, the commander in chief spoke to the press at the headquarters of the Varadero tourism enterprise, where the meeting was held.

Varadero must be an experimental center of tourism in Cuba, Fidel stated.

He indicated that a wide-ranging agenda was discussed, problems were solved, teams were assigned, and a discussion was held on the materials and transportation industries, all with a view to ensuring that Varadero will have its own resources and not have to depend on external sources of construction materials.

He added that the brigades received more equipment, and announced that some 500 workers from the 6th Congress Brigade will be incorporated into the development plans. Right now they are working on the expansion of Miguel Enriquez Hospital, and they will later work on the airport at Varadero.

In addition, the members of the contingent that is building the large rock and sand mill in El Purio will come and support these plans, "and thus we will mobilize all the forces we need," stated the chief of the revolution.

Regarding the expansion of hotel capacity in Varadero, he mentioned that a target of 30,000 rooms will be attained, compared to the 2,500 that existed when this program began. This will bring in over \$300 million for the country, and will boost the availability of lodging for national tourists during the summer. Moreover, the lodging will be of a better quality.

In this regard, he pointed to the need to adopt organizational measures to devote more attention to tourism, expanding the options. He explained why it is a good idea to develop an entire artisan production industry around tourism.

Fidel also reported that a meeting was held several days ago to study the development problems of national oil production, and that a decision was made to cancel the plans to drill wells on the Hicacos Peninsula, given the risk it posed for tourism.

In this connection, he pointed out that oil prospecting and drilling will be stepped up in other areas of Cardenas Bay. Earthen causeways will be built for that purpose, he noted, especially in the coastal zone east of Cardenas, between that city and the municipality of Marti.

The commander in chief announced that in 6 months an analysis meeting similar to the one held today will take place in Varadero, and that more good news will be forthcoming at that time.

*** Shipments To, From Soviet Port Described**

32480032b Havana GRANMA in Spanish 29 Sep 88 p 3

[Article by Raisa Pages]

[Excerpt] Ilichevsk, Odessa—The word Cuba has been very familiar in the port of this city for more than 20 years. It has become a part of daily life for dock workers, as each year 200 ships set off for our country from the docks of the Black Sea.

Approximately 50 or 60 percent of the dry cargo that travels from the USSR to Cuba is shipped out of the Ilichevsk port, where there is a Cuban Department.

Two brigades specialize in loading and unloading the various goods that are exported to our country. The first thing the men who work under Stanislav Grabovsky and Piotr Britanov have to say to the GRANMA reporter is that they want to exchange work experiences with Cuban longshoremen, "to compare our strengths in organization and productivity. They will learn from us, and we from them," they say.

Brigade 204, under Grabovsky, and Brigade 411, under Britanov, compete with each other. They are very interested in keeping a regular flow of incoming and outgoing ships, which explains why they want to know about current conditions in our ports.

Each year 1.2 million tons of general cargo are loaded at the port of Ilichevsk, along with 500,000 tons of superphosphate for fertilizers and 50,000 tons of sugarcane transport equipment and other agricultural machinery.

Containers are used to increase loading and unloading productivity. Last year, 30 percent of these containers that were circulating around the port had exports for Cuba in them.

Sugar and citrus fruits are received here, and of the 28 docks at the bay of Odessa, three specialize in general cargo and two others in manure.

The port's efficiency was reflected in an interview with Stanislav Mikhailuk, director general of Ilichevsk. He pointed out that the port earns 85 million rubles a year, the highest earnings for this type of facility in the entire Soviet Union.

The brigades that specialize in Cuban cargo work 12-hour shifts, and alternate workdays. The standard for loading and unloading each ship is 1,450 tons per day, and they always work on two ships at once. On the day of our visit, the ship Alexandr Grin was being loaded with manure, while the Bratslav was taking on metal, equipment, rails, and a little fertilizer. [passage omitted]

*** Distribution Transformer Factory Planned**

32480031b Havana GRANMA in Spanish 22 Sep 88 p 1

[Article by Joaquin Oramas]

[Text] Talks with a Soviet delegation regarding the installation of a single-phase distribution transformer factory in Cuba will continue shortly. The factory is to be built in Las Tunas.

The industrial plant will allow Cuba to be self-sufficient in these transformers, which are essential to the operation of the national electrical power system. Tomorrow the delegation is scheduled to arrive in Havana to meet with officials of the Ministry of Basic Industry to discuss the factory.

The problem of distribution transformers is fundamental to the island's power system. Although efforts to recycle these elements have been very encouraging, the 2,000 units that have been repaired so far this year are not enough. For this reason, transformers have to be imported from capitalist countries.

It is the delays in the shipment of these imported transformers that have been responsible for some of the interruptions in service that have occurred recently in Havana (before Hurricane Gilbert), when power outages have resulted from difficulties in the distribution circuits. Shipments of transformers are expected to arrive in this country in the next few weeks, and then improvements can be made in the grids that are suffering the worst problems.

The work to be undertaken includes changes in wire gages, conversions to higher voltages, and the division of secondary circuits. In some cases, the lack of distribution transformers has delayed repairs of damaged circuits in the capital, according to Lidio Ramon Perez, assistant director of the Electricity Union.

At a press conference, he also reported on the measures that are being adopted to guarantee electricity for the sugar harvest, primarily at storage centers, cleaning centers, repair shops, and other facilities. He cited the

inspections that are being conducted in coordination with the Ministry of Sugar Industry (MINAZ) to determine the condition of the facilities.

He reported that a 110-kw substation will be installed in Niquero, from which several municipalities will benefit. Another 110-kw substation will be built in San Cristobal, and a third one will come on line in Camaguey next October. This will improve the voltage available to a wide area.

Before the beginning of the sugar harvest, he said, more than 40 storage and cleaning centers will have electricity installed. This entails putting in 80 km of lines.

Referring to the tasks involved in electrification, he stated that between January and yesterday, 2,300 km of overhead lines with voltages of less than 33 kw were installed. As a result, service can be provided to 4,000 economic targets and more than 70,000 dwellings, half of them in eastern provinces.

The electrification of 70,000 homes in 8 months is a record in the country, he indicated.

* Report on Old Age Statistics, Health Problems

32480037 [Editorial Report] The Havana Spanish-language paper GRANMA of 4 November 1988 reported on page 2 that during the International Workshop on Aging held at the University of Havana it was learned that 1,184,161 Cubans or 11.55 percent of the population are 60 years of age or over. It was further reported that approximately 40 percent of all deaths are caused by cardiovascular disease, 21 percent by cerebrovascular disease, and 37 percent are caused by cancer.

* Voltage Loss in Electrical System Addressed

32480031a Havana GRANMA in Spanish 29 Sep 88 p 2

[Article by Joaquin Oramas]

[Text] The adoption of measures, first to curb the increasing leakage of power from the electrical systems, and then to reduce the incidence of such leakages, is one of the top priorities for this sector of the economy, which is one of the largest users of energy resources in the country.

The improvement plan will include increasing to 13.2 kilowatts the voltage of hundreds of kilometers of lower-voltage distribution lines, changing the gage of wires, benefiting more than 2,000 secondary circuits, and, towards the end of the year, installing 60,000-CKVAR (reactive kilovolt-ampere capacitor) capacitors.

The latter measure is also helpful in terms of the voltage in different areas, particularly those where factories and service centers are located.

The installation of capacitors in the distribution systems and industries reduces the amount of unusable current that is circulating in the lines. Despite the benefits that the electricity system can derive from such a move, about 2,000 enterprises have not installed the capacitors that are necessary to solve this problem.

The construction of substations and the installation of lines that keep leakage to a minimum are also aimed at improving the quality of the electrical system. In this regard, the maintenance of the conductors is also beneficial.

Throughout the electrical power system there is leakage from the lines, but this loss can be attenuated with the installation of efficient grids. The country presently loses 17 percent of the electricity that enters the system from power plants. This is equivalent to the waste of tens of thousands of tons of fuel.

Dominican Republic

Balaguer: Cuba May Build Polytechnical School

FL0112174888 Santo Domingo Radio Popular
in Spanish 0950 GMT 1 Dec 88

[Text] President Joaquin Balaguer reiterated in Miami that his government has no problem with the construction of a polytechnical school in Bani by the Cuban Government. Balaguer explained that years ago Cuba made that promise but to date it has not been fulfilled because of some problems that had arisen.

[Begin Balaguer recording] [Passage indistinct] The execution of the project depends completely on the Cuban Government. [end recording]

The first problem with the project was the land in addition to other important matters already overcome.

The Dominican leader spoke with journalists in Miami just before leaving for Boston where he will undergo medical check-ups.

Haiti

Press Association To Hold Forum on Cedha

FL0212001188 Port-au-Prince Radio Soleil
Network in Creole 1200 GMT 1 Dec 88

[Text] The National Society of Professional Journalists is holding—for political leaders, journalists, lawyers from the Port-au-Prince bar, political science experts, and people who concern themselves with constitutions—its first forum on the Cedha [Electoral College of Haiti]. There will be a 150-plate press barbecue [barbecue de presse] held on Tuesday, 6 December at the Oloffson Hotel.

The Cedha, which was established by the draft decree on the organization of general elections in Haiti, concerns all sectors of the society. The goal of this forum, in

addition to providing an opportunity for unfettered discussions, is to focus on the Cedha, Lieutenant General Prosper Avril's military government's draft decree.

The forum will begin at 1800 and end at 2100.

The political leaders invited are: Marc Bazin, Louis Dejoie II, Daniel Narcisse, Rene Theodore, Victor Benoit, Serges Gilles, Gerard Gourgue, (Michel Soukar), Rockefeller Guerre, Dejean Belizaire, Wilfrid McNally, Turneb Delpé, (Jacques Bernardin), Eddy Volel, Sylvio Claude, Edouard Tardieu, Thomas Desulme, (Camille D. Syllaire), Rev Salnave Desarmes, Jocelyn Beauchard, Vladimir Jeanty, Hugo Noel, Constant D. Pongnon, Maurepas Auguste, Hubert de Ronceray, Lamartiniere Honorat, and Gerard Philippe Auguste. These leaders have been invited to this press barbecue so they can discuss the Cedha face to face.

Journalists and directors of opinion—the executive committees of the Haitian Journalists Association and the Haitian Sports Press Association—(?urge attendance at) this 3-hour forum.

Three people (?who concern themselves) with political matters—three journalists—(?are going to take turns at) coordinating this national debate on the Cedha at the Oloffson Hotel on Tuesday, 6 December.

Day of Mourning, 29 Nov, Activities Reported

Military Cancels Show

FL0212002788 Port-au-Prince Radio Soleil
Network in Creole 1200 GMT 1 Dec 88

[Excerpts] In a press release, the organizations that had scheduled a show at the Occide Jeanty bandstand on the afternoon of 29 November: protest the military's decision to cancel the show. The organizations feel this is an indication as to what kind of democracy General Prosper Avril is offering the Haitian people. Here, on this matter, is Francois Pierre-Louis, a member of one of the organizations sponsoring the show.

[Begin recording] It was approximately 1430. We were finishing installing everything at the Occide Jeanty bandstand on the Champ de Mars. [passage omitted] A truckload of soldiers from the Dessalines Barracks showed up, wearing bulletproof vests and carrying tear gas, machineguns in hand. They told us the show was canceled. They told everyone to clear out.

We asked them why, explaining that we had a permit to hold an assembly and this was something that had been announced a long time ago. They said they were obeying the latest order from the barracks.[passage omitted]

So we asked to talk to one of their superiors. One of them took us to see the commander of the Dessalines Barracks. When we got there, the commander informed us that we had not informed him of the show. We told him

that we were not supposed to inform him, but rather Port-au-Prince City Hall and the Port-au-Prince police. Then we told him both of these groups had been informed. So then he told us to go see Colonel Valcin [chief of police]. Therefore, we formed a delegation made up of members of all the organizations that had organized yesterday's event and went to see Col Valcin. He made us sit down, did a lot of talking, and finally said he didn't have anything to do with this matter—that it was not he, but the Haitian Army who had stopped it. So at that point we asked him if it was General Abraham [Haitian Armed Forces commander in chief] or General Prosper Avril whom we should see about this matter. [passage omitted]

[Reporter] Yes, but when he said the Haitian Army, did he mean the institution or the head of the Army? Who exactly issued the order?

[Pierre-Louis] Well, he didn't want to give us any details. [passage omitted] So then we told him that the Haitian Army was the government, because it is Gen Prosper Avril who is currently governing. At that point, he said there was nothing else he could say to us—that he was sorry, but that the show could not be held. [passage omitted]

So then we left. We went back to see if we could pick up the stuff we had on the bandstand, but the soldiers were exerting a lot of pressure on us. A crowd had gathered, and the Army was pressuring them. Other truckloads of soldiers had appeared at the bandstand. The police pressured the people because they did not want to disperse. They wanted the assembly held anyway. [passage omitted]

As we stated in a press release, we think that similar to the events in Cap Haitien, where the demonstration was dispersed, the Prosper Avril government claims it's democratic—but intends to be only as democratic as it chooses to be. The government's democracy means they will only a certain number of things occur. Things done outside the parameters will not be allowed. We interpret this as heavy-handedness. This occurred under the Namphy regime, and under Manigat, and is continuing at present. [end recording]

We contacted a member of the Armed Forces at the Investigations and Anti-Gang Service by telephone. He told us that the people organizing the show had not informed the police. They had only sent a letter to Port-au-Prince City Hall.

Cap Haitien Clashes

FL0112205988 Port-au-Prince Radio Haiti-Inter
in Creole 2100 GMT 30 Nov 88

[Monitored in progress]

[Excerpts] ...[Begin correspondent (Hugh Florvil) recording] [Passage omitted] We also point out that from 0800 or 0900 to around 1130, the military patrolled all of Cap

Haitien; and at many points—such as (Nan Pont), (Nan Ri Vet), La Fossette, the sociomedical center in Cite Lescot, in front of the national bank in Cap Haitien, and at the very vocational school where the rally was being held—there were at least three or four soldiers dressed in olive green and armed with weapons.

When the rally ended, the participants took to the streets in a peaceful demonstration. However, a big military truck quickly began following the demonstration. When the demonstrators arrived at (Ri Vet) from La Fossette, at around 1300, the soldiers began firing into the air. Nevertheless, the demonstration continued. There were many placards (?with) slogans asking that the patriotic soldiers be released. Furthermore, during the rally, the keywords were: Eliminate the macoutes before elections.

Thus, the demonstration continued, despite much maneuvering and shooting into the air by the military. However, upon reaching Rue 14, the demonstrators found themselves in a veritable [words indistinct], as they put it, with the military—who began hitting people. At that time three men were arrested, among them a photographer named (Hiram Lubin). They struck the photographer and took all three of the men off to the police station. The men were later released.

From 1300 to 1400, tear gas was used. [passage omitted] They used tear gas any time they saw a group of people. They even used tear gas in the marketplace. This is how they stopped the demonstration; this is also how they put an end to [kraze] the (Ritwa) market in the afternoon.

The military made their presence felt particularly on Rue 12 in the (Ti Guinee) area, where they bombarded the residence of Charles Manigat with tear gas.

Last Monday, 28 November, in Cap Haitien, the Haitian minister of justice asked that (Max Montreuil), who is the coordinator of the neighborhood committees in Cap Haitien, and Charles Manigat, who is a member of Konakom [National Committee of the Congress of Democratic Movements] and a former senatorial candidate in the 29 November 1987 elections, appear before the civil court in Cap Haitien. When they appeared before the court, the judge said that they would not be questioned in front of their lawyers [as heard]. Thus, the session did not take place, and it was decided to send the men back to the Department of the Public Prosecutor in Cap Haitien. However, the Department of the Public Prosecutor has not yet decided when these men should appear again. This is (Hugh Florvil) in Cap Haitien. [end recording]

Charles Manigat and Max Montreuil, who is in charge of all the neighborhood committees in Cap Haitien, are—as you heard—in court because they are accused of being responsible for the uprooting of a former deputy under both Duvalier and Manigat in Cap Haitien after last 17 September.

Also, as you heard, the police dispersed a demonstration in Cap Haitien.

Film of Massacre Shown

*FL0112211388 Port-au-Prince Radio Soleil
Network in Creole 1200 GMT 30 Nov 88*

[Excerpts] In Anse a Galets, on La Gonave Island, the common denominator was the same: justice. In a mass celebrated at the church in Anse a Galet in honor of the victims of 29 November, the public asked one thing: justice.

After the mass, a film on the 29 November massacre—a film apparently prepared by a number of American journalists—was shown. [passage omitted]

We must point out that here in Port-au-Prince a festival that was scheduled for yesterday afternoon at the Occide Jeanty bandstand on the Champ de Mars did not take place, although it was noted that many people had shown up to attend it. Also, there were many many soldiers painting in the vicinity of Occide Jeanty Square on the Champ de Mars; and the festival did not take place.

Imprisoned Soldiers Reportedly on Hunger Strike

*FL0112211888 Port-au-Prince Radio Nationale
in Creole 1400 GMT 30 Nov 88*

[Excerpts] KID, which is the Confederation for Democratic Unity, has learned that the soldiers imprisoned at the National Penitentiary have been on a hunger strike since Saturday, 26 November. The soldiers say they will not eat until they have spoken to the press and to Army authorities from the General Headquarters.

KID is very worried about the health of some of these soldiers, who are not in good shape at all. KID feels that at a moment when diverse sectors are protesting the terrorist acts of 28 and 29 November, we should mobilize against terrorism. [passage omitted]

All organizations defending human rights in Haiti, the entire Haitian people, and all popular organizations should mobilize with intentions of getting these patriotic soldiers (?rotting) in jail unjustly released. This is what this press release from the KID says. It is signed by Jean Woel Brice and Louis Emilio Passe.

Soldiers Paid To Kill Anse Rouge Citizens

*FL0112204488 Port-au-Prince Radio Soleil
Network in Creole 1200 GMT 30 Nov 88*

[Excerpts] Our correspondent informs us that in Anse Rouge, a conflict broke out Sunday, following a fight (?at a cockfight arena). One person was killed, and several people have been jailed. Our correspondent from Gonaives will give us details.

[Begin correspondent recording, in progress] ...Sunday, they [not further identified] put the population of (Grand Cardinage) and (Pointe des Mangués) through the wringer.

After an argument and a fight that broke out between two young men at a cockfight arena Sunday afternoon, observers say that in reaction, three soldiers from Anse Rouge—one of whose name is (St Pierre)—were paid by one of the two men involved in the fight to go into (Grand Cardinage) and massacre people, even innocent ones.

One person was shot and killed by these three soldiers from Anse Rouge; and there are 20 people currently in jail.

People in the area have reported that many small grocery stores were broken into and ransacked, that people's houses were destroyed, and money was stolen from the small grocery stores, as well as jewelry from pawn shops. [passage omitted] [end recording]

Trinidad and Tobago

Government Supports Calls for 'Arafat Visa
FL3011234588 Bridgetown CANA in English
2220 GMT 29 Nov 88

[Text] Port-of-Spain, Trinidad, Nov 29, CANA—Trinidad and Tobago on Tuesday came out in support of calls for Palestine Liberation Organisation leader, Yasir 'Arafat, to be given a United States visa to address the United Nations (UN). The United States has refused the PLO chief a visa, saying he condoned terrorism and was a security risk. 'Arafat was due to address the UN General Assembly on December 1.

"We stand on principle; we believe that the United Nations is a world body at which people who are members as well as those who have observer status should be granted the opportunity to address this august body," Trinidad and Tobago's external affairs minister, Senator Dr. Sahadeo Basdeo, told reporters. Basdeo

pointed out that 'Arafat has been allowed to address the UN General Assembly in 1974 and questioned whether the Palestinian leader's alleged links to terrorism could be cited as reason for blocking a visa now and not before.

Basdeo, who said this country's position would also be communicated to the UN and the United States Government, also pointed to the removal of a Nicaraguan ambassador to the UN and the Organisation of American States (OAS) earlier this year. "Really, what we are seeing here is the need for, perhaps, the revision of the headquarters agreement in relation to multilaterals in which we all are a part," Basdeo said with reference to the OAS headquarters agreement.

He said that, in the UN headquarters agreement, this country first wanted to hear the other reasons for barring 'Arafat from entry to the United States which, in effect, blocks him from speaking at the UN in New York. The minister pointed out that, in the past, some people had been allowed entry to the UN but faced restricted movement in the United States.

"The reason that has so far been given to us is not sufficient to warrant denial of Mr. 'Arafat from addressing the United Nations assembly," Basdeo said.

Questioned on whether Trinidad and Tobago believed 'Arafat was a terrorist, Basdeo said: "What or not he is a non-point at this particular time." "The issue which is being raised is one of much more fundamental importance and that is to say how do you recognise, how do you perceive the United Nations, is it really a world body that can bring about peace in the world?" Basdeo said.

"We all know that, in the Middle East, there has been a problem existing for years and it seems to me now rather unfortunate that, when there is this ray of hope at the end of the tunnel, we are now seeing a move by the United States to, in a sense, jeopardise whatever possibility for a resolution to the problem in the Middle East that may exist." "And I think that is rather unfortunate," Basdeo added.

Salinas Delivers Speech, Details Future Plans
PA0112203688 Mexico City Television Service
in Spanish 1705 GMT 1 Dec 88

[Inaugural speech by President Carlos Salinas de Gortari at the San Lazaro Legislative Palace in Mexico City—live]

[Text] Honorable Congress of the Union, Mexicans: With emotion and conviction, I have promised to abide by and enforce the Constitution of the Republic and the law. I am aware of the powers granted to me by them, and I will exercise them fully in order to fulfill my mandate. I am aware of the limitations that the law imposes and those that custom and the people demand. I will abide by them with civic spirit. I will carry out a democratic Presidency that will respect and strengthen the constitutional balance of the legislative and judicial powers.

I will promote an effective relationship with state and municipal governments by encouraging the decentralization of functions, resources, and activities. The Presidency will lead the country based on the solidarity of the institutions of the Republic. I will always defend the high interests of the nation with loyalty and patriotism. I will rule for all Mexicans. I will serve all my fellow countrymen, without distinction or preference. I will be prudent as to never risk the country's destiny. I will be determined in order to promote the well-being of the people, and I will be firm to enforce institutional order. [applause]

I will fulfill the campaign promises I made in each state and each community. There will be cohesion between my commitment as a candidate and my work as president. I will rule the Republic with an unavoidable adherence to the principles and program of the revolution. I will base myself on the great political and cultural foundations that we Mexicans have built together. I will do it inspired by our historic grandeur, sure of the national strength, proud of our extraordinary integrity, confident of our tenacity to overcome obstacles and challenges, no matter how difficult and complex these may be. I will do this, confident that Mexico deserves a place of greater strength among the nations of the world due to its history, scope, and quality of its people.

I am taking the oath as president of the Republic amid complex times, amid the collective hope and the weight of accumulated sacrifices, amid the need to build for the future and the urgency of immediate achievements. This is a unique time in our history, laden with risks but rich in opportunities. I am approaching this with courage and optimism. [applause]

I have faith that the winds of change will be favorable for us, because our efforts have a course. Our nationalism strengthens us. We have a historic project that has been prepared generation after generation. Each generation responded to the needs of its times, each confronted by

its own challenges. This has been a task that has shaped us, given us a place in history and a feeling of justice and freedom. Independence, reform, and revolution express the determination of the people to give themselves an original destiny, as well as their own institutions and organizations. Our capacity to change has allowed us to resist the strongest attacks and constantly adapt to new situations.

We know our problems do not stem from the failure of our efforts, but from the size of the adversities. The last few years have tested the strength of the country. Miguel de la Madrid had to face one of the most serious economic crisis we have ever had. These have not been years of relaxation, but years of crisis and sacrifice. In the face of this, he always acted with patriotic, responsible, and strategic clear-sightedness, not only for averting the threats hovering over the country, but also—above all—for reestablishing and revitalizing confidence in ourselves and strengthening our historic responsibility.

Miguel de la Madrid leaves us a more efficient state, a more sound economy, with our freedom intact, and a stronger political life. Setting an example, he leaves us the virtues of his behavior, honesty, tolerance, serenity, and resoluteness. He has the respect of most Mexicans as he arrives at the end of the mandate the Mexican people had bestowed upon him. Beginning with his perseverance, his legacy is one of profound renewal. [long applause]

We will base our progress and transformation on that renewal. Let us advance toward change. Mexico's modernization is essential in fulfilling the demands of 85 million Mexicans, who will be joined by 10 million more in the next 6 years. They will also demand food, urban services, housing, education, and an honest living. During my administration, 9,000 additional students will join the national education system with the legitimate hope of attaining a better standard of living than their parents'. Every year, 1 million youths will aspire to honorable jobs, a definite future, and a sovereign and fair country.

To face those challenges, we need to grow with fairness, develop a more efficient state, increase productivity, channel the energy of the community, and strengthen mass participation. Briefly, we need to modernize politics, the economy, and society. Mexico's modernization is also inevitable; it is the only way to reassert our sovereignty within a constantly changing world.

There is a scientific revolution under way. The centers of technological, financial, and trade transformations are moving away from the military power centers. The end of the bipolar conflict is foreseen. Diplomatic negotiations are beginning to prevail over forceful solutions. The so-called Cold War has ended.

Competition will increase because of new technologies and lower prices. Consequently, we will experience the development of multipolar relations. Pressures will increase; consequently, international affairs will become more complex and tense.

Therefore, most national states are changing regardless of their location, ideology, political system, or industrial levels. The world tendency is for the states to reorganize themselves to seek greater strength and capacity. They are not doing it to conform or to imitate others; they are doing it to face international competition and fulfill their peoples' demands.

We will change to be at the vanguard of world transformation. It is not a matter of changing everything without caution. On the contrary, we will act with firmness and consistent decisions. We will change without haste. We will do it gradually. We will change with profundity of thought and without violating the firmness of our political structure. We will make changes that penetrate our roots, avoiding tricky games that lead nowhere. We will promote changes in various fields, but we will do it within our *de jure* state, invariably taking care of our sovereignty and our people's well-being.

Our path for change will be a nationalist, democratic, and popular modernization. It will be a nationalist modernization because it reaffirms the fundamental values that give us our identity as Mexicans, it opens a new phase of the project of the revolution, and it has the explicit objective of guaranteeing our sovereignty, independence, and the defense of our national interests. It will be democratic because we will carry it out through concerted efforts and the joint participation of citizens, groups, organizations, parties, and sectors, and because it is aimed at expanding political opportunities and creating the institutional paths that demand the greatest participation of society. It will be a popular modernization because it will have a clear social objective: increasing the well-being of our compatriots.

I will encourage and lead the national modernization effort that will respect our traditions and the diverse and multiple identity that unites Mexicans. By changing, we will not destroy our past. Instead, we will preserve it with pride, as a banner of national identity.

To undertake the changes in an orderly way and to ensure that the general interest will prevail, we must modernize the Mexican state. Because the great social forces have already been created, it is time we recognize and encourage the extraordinary potential of community initiative and personal excellence. At the beginning of a new century and a new millennium, the state cannot and must not try to be the sole protagonist. Instead, it must be the leader of a democratic society—not the largest sector of society, but the most just and efficient; not the sector that restrains society's spirit [*absorbente de la fabrica social*], but the liberator of society's enormous

energy. Without excesses and myths, the modern state should return to its original principles that promote justice and change. In this way, it will be able to continue to call itself revolutionary.

The shaping of the Mexican state will be an encounter with its future and not a nostalgic and impossible return to the past. A modern state guarantees the nation's security and at the same time provides security for its citizens. It respects and enforces the law. It recognizes political pluralism and accepts criticism. It fosters civilized society. It prevents the exacerbation of conflicts among groups. It maintains frankness and modernizes its relations with political parties, trade unions, business groups, the church, and the new organizations in the rural and urban areas.

A modern state leads the national development strategy. It creates the conditions for sustained and stable growth. It increases efficiency and strengthens the strategic and priority public institutions. It dismantles nonessential institutions to expand its actions of social responsibility, and it provides explanations and reasons for these decisions. It looks after the people's well-being as its fundamental objective.

A modern state does not ignore its responsibility to the groups that need its support—working women, unprotected children, adult pensioners, and Indian groups. It expands their opportunities and leads their defense. Social well-being in a modern state is not identified with a paternalism that replaces efforts or inhibits character.

Today, an increased standard of living can only result from the responsible and mutually shared action of the state with society. We are going to modernize the Mexican state in its responsibilities, social bases, political institutions, economic life, and contact and closeness with the people.

The state will be an effective leader in Mexico's modernization. However, modernization will only be possible with joint responsibility by society through democratic methods.

We are a society that not only has many contrasts but is very complex: The diverse economy, the number and the dynamics of the population, our geographic size, the variety of interests at stake each day, and the mosaic of cultures make Mexico experience each challenge in proportions equivalent to its enormous population. That is why we will achieve answers that are the size of individual aspirations and the dimension of our challenges only by uniting the efforts of groups, sectors, regions, and individuals.

The promotion of modernization, which we shall willingly support out of necessity, will force us to carry out a joint effort. Each person must contribute with enthusiasm and commitment. There is no small task or insufficient effort. The work of each one of my fellow men is important. They all contribute to the greatness of Mexico. [applause]

In view of the challenges we are facing because of the political and social transformations that have already taken place and to achieve modernization and change through institutional, legal, and peaceful means, I propose to my compatriots three new national agreements. I do so with conviction and goodwill while acknowledging the people's demands. These three agreements seek to fulfill immediate demands and open up the outlook and horizon of the Mexican people.

First, I propose a national agreement for the expansion of our democratic life; second, I propose a national agreement for economic recovery and stability; and third, I propose a national agreement for the productive improvement of the people's welfare.

Mexico's present is essentially a political one. The nation has opened up to the imagination and texture of our different ideas of how our society should be. The representative organizations, the new organizations, and the critical outlook of the Mexican people have all contributed to Mexico's new face, which is different from its face of a decade ago. We are progressing toward a new equilibrium in the national political life. It did not emerge on 6 July. It was made evident on that date.

There is a new political Mexico; there are new citizens with a new political culture. They have demanded a different course. The political organization with the vision, talent, and courage to understand modern times and act accordingly will be able to head this new culture and this new political duty. That is the challenge. Let us face it with optimism and hope for the future. In view of this new reality, my government will have openings within our democratic life. For that, I propose a new political agreement that will strengthen our unity and will leave room for disagreements. It must be an agreement that improves electoral procedures, that updates political parties' regulations, and that modernizes the actions of all political organizations beginning with the government itself. My administration will fulfill the citizens' demand for respect of plurality and effective participation. The most urgent political demand is the transparency of the electoral process. I share our citizens' concern in this respect.

Let us guarantee everyone their political force, properly measured in the free decision of voters. Their votes should be counted and recognized by all parties. We must trust and accept others and offer them an opening.

The new federal electoral code includes portions that represent authentic progress; however, it includes other portions that have left all parties, including the PRI, unsatisfied. In addition, the electoral practices of some opposition members and shortcomings in the government's information mechanism—not properly explained in time by the relevant authorities—contributed to the doubts by some groups regarding the election results.

Some members of the opposition took advantage of this as a tactic for political negotiation and as a deceptive means to vindicate and justify themselves.

Their intentions have become increasingly clear. I respectfully invite them to act truthfully and honestly toward their supporters. That is a politician's elemental pledge. Let us recognize we have lived an intensive electoral process representing a new experience for everyone. It proves we have attained progress in our pluralistic coexistence and that there is yet a lot to be brought up to date and perfected in our political life. I had serious contenders—all of whom were pledged to Mexico. Now that the democratic struggle is over, it is time to strengthen national unity through dialogue, respect, and good faith. That will be this administration's position in the new phase we begin today.

We will attain progress. To make progress and to guarantee the cleanliness of elections, I call for a reform of the current electoral code. I have decided to conduct a democratic process. I have invited political parties to a dialogue. I here and now reaffirm that invitation. This is a matter of interest to all the political forces in the country; it concerns us all, and we should assume our duty.

Let us work together in that task. The depth and rhythm of the reform will be the result of the grade of consensus all the political groups manage to attain. Let us answer with talent to the political sensibility of the Mexican people, who chose institutional means—the ballot boxes and not confrontation—to state their anguish about deteriorated living conditions.

We must modernize Mexico's politics without delay. Let us welcome a different, more open, and richer democratic life with a renewed party. Above all, let us recognize our shared responsibility in this process. This is a time to recognize the competition in politics. This means the parties have more, not less, responsibilities toward their members, other parties, and society as a whole—a competition that demands caring for the institutions' respectability and not in ensuring they remain unchanged.

Competition has a special meaning for the party that has boosted itself to the Presidency. It represents an historic opportunity to modernize PRI, renovate practices and procedures, and strengthen principles and purposes. Because of the firmness of its ideology, PRI does not fear negotiation and does not negotiate out of fear. PRI also does not confuse negotiation with surrender or what is commonly known as compromise. The new reality means serving the community better, being near the people, listening to their demands, and resolving them. The ruling PRI party has been an efficient instrument for peace, order, and change; to spur the competition, and through the will of its members, I am sure it will remain ahead of the country's political changes. [applause]

Political changes alone would not be enough. Democracy would wilt in economic stagnation; political competition would turn into social conflict; and the intentions for equality would perish. Without growth, there is no possibility of justice or turning into reality our potential to raise our standard of living. That is why we must grow again.

I propose a new phase of growth. We already have the structural bases to attain this. Let us forge ahead with a new development strategy for economic recovery and stability through national agreement. We shall leave behind the crisis, but not the tenacity the crisis forced on us. We shall start recovering our standard of living, but we shall maintain habits of saving, productivity, and efficiency.

Mexico's working people know that what they have gained or attained has been through their efforts. Mexicans have told me they do not expect easy solutions; they demand the problems be resolved and true, long-term, and lasting solutions be attained.

They know there will not be any miracles, but I assure you, there is hope. [applause]

The state will fulfill its responsibility, seeing to the social cost and the productivity of the strategic and priority enterprises. Public investment will be the key for recovery, not because of the amount but because of its destiny. We will encourage the activities of private groups and will promote the conditions that allow the private sector to contribute to economic and social development, as provided by the Constitution.

In the recovery, the private sector's investment will play a basic role, given the considerably good health and financial strength of its enterprises. A main factor in the growth will also be nonpetroleum exports. We will expand the internal market, increasing employment and gradually strengthening the purchasing power of wages. We will encourage the activities of the social sector through effective means for production, solidarity, and the development of the new social base.

We will maintain the nation's sovereignty over energy resources by emphasizing energy savings, diversification of sources, and basically dealing with—although not exclusively—the domestic market.

We will assign priority to scientific research and productive use of technological developments. Our internal and external strength depends on this in the future. We will expand the infrastructure of the country and will modernize the highway system by actively incorporating private investments and savings. We will improve the railroads, telecommunications, ports, and aviation. We will intensely promote tourism to allow healthy recreation for Mexicans and obtain the foreign currency, employment, and regional development international tourism allows.

The driving force of the new growth will come mainly from internal savings. However, on the foreign debt issue, the current situation prevents economic recovery. We will not achieve long-lasting growth if we continue as we have up to now, transferring 5 percent of the Gross National Product abroad every year. This situation is unacceptable and unsustainable. [applause] I will avoid confrontations, but I hereby emphatically state and firmly believe that the interest of Mexicans comes before the interests of creditors. [applause] Our priority will not be to pay, it will be to grow.

Our priority will no longer be to pay but to grow again. This is neither demagoguery nor a warning. It is well-thought out reasoning based on the needs of my people and the great efforts we have made. We have given evidence of seriousness by not trying to transfer our errors abroad. We have corrected structural deficiencies. Now, we must again grow.

I hereby instruct the finance secretary to immediately begin the foreign debt negotiations under the following premises:

1. The net transfer of resources abroad shall be reduced so the economy can achieve sustained growth.
2. The unprecedented foreign debt shall be reduced.
3. New resources demanding Mexico's sustained growth shall be secured for a sufficiently long period of time to prevent the uncertainty caused by annual negotiations.
4. The real value of the debt shall be reduced during this administration, and the debt to production ratio will be reduced.

We cannot live in a situation where we have resources one year, but no one knows what it will be like the following year. We must find solutions that are permanent and not just temporary. These negotiations must be carried out during a reasonably brief period of time with international banks, multilateral organizations, and governments of the industrialized countries.

In a responsible manner, we must also maintain dialogue and communications with the other debtor nations. This not a matter of negotiating the debt to return to stages of waste or financial disorder. This also does not mean there will be a foreign solution to all of our problems. I reiterate that we had internal problems prior to our excessive debt, and we will have to continue confronting these problems even after we lessen the burden of the debt.

The solution continues to depend on domestic efforts, on our actions, and on our collective capacity to carry out those actions. Therefore, we will continue to reorganize public finances, and I reemphasize that during my administration, expenditures will be strictly controlled

to keep down inflation. We will modernize the financial system to promote private savings. We will establish discipline and will punish abuses in the stock market.

To strengthen consumption, savings, and investment, we will lower income taxes for individuals and businesses by expanding the number of taxpayers. Lower taxes and more responsible taxpayers will strengthen our savings and will create employment.

In view of the seriousness of the social crisis, economic recovery must be attained as soon as possible. To attain lasting growth with price stability, however, economic activity must increase gradually. Immediate growth is limited by the low investment rates of the last few years. A sudden recovery would cause an imbalance that would lead us to the threshold of hyperinflation. We cannot accelerate our pace.

For that reason, special attention will be given next year to the stabilization of prices, which is essential for sustained growth. The 1989 economic policy will be one of transition. This is due to the time required for a firm process of negotiation of the debt abroad. That is why the debt issue has to be resolved soon. While this takes place, we need to maintain strict discipline in the handling of the economy to reduce the vulnerability of our balance of payments and to prevent the foreign negotiations from weakening us. I ask my compatriots to make the additional effort that this transition demands. In this way we will negotiate with our creditors from a stronger position. I am convinced we will achieve a satisfactory renegotiation of the debt, because we have reasons and arguments to attain it. We will then enter a new phase of economic growth with stability and equity for Mexicans, creating the necessary conditions for our compatriots to live decently and not merely survive. [applause]

An appropriate economic policy and an effective agreement have allowed us to lower inflation to levels almost unseen in the last two decades. Based on the successful experience of the Economic Solidarity Pact, we will institutionalize our agreement with various social groups as a permanent way to define our economic policy. Under the protection of the planning law, we will create the National Council for Economic Agreement, which will set out the general guidelines for the 1989 economic policy and will put together the 1989-94 national development plan.

The government's main concern is to watch over the citizen's prosperity and safety. We will grow again, but we will not wait for our recovery to follow the path of justice and fairness. Therefore, I propose that the nation immediately reaches a consensus to improve the people's wellbeing and standard of living. [applause] To achieve that consensus, we will concentrate our efforts and resources in four critical areas that my government must tackle without delay or hesitation. Those four social

priorities are: eradication of extreme poverty, guaranteed public safety, the provision of sufficient basic services in the various Mexican states, and the reestablishment of a better standard of living in Mexico City.

The main goal of the Mexican revolution, which is social justice, has not been achieved yet. We must recover our capacity to become angry in the face of poverty and inequality, which still casts a shadow over several parts of our country.

Poverty almost always nourishes itself. It does not go away by itself and requires a breakthrough to change. To reverse the decrease in our standard of living, we must act now and do so decidedly. [applause]

I will immediately start the national program of social solidarity designed to implement effective actions in rural regions and in urban areas with lower standards of living. The program will also be focused on Indian groups that demand respect, our total support, and fair treatment. If it is true that by increasing jobs and the scope and quality of education we will be creating the structures needed to revert inequality and the growing concentration of income, these measures must be complemented with this social solidarity program. I will not attempt to eliminate age-old debts in a few years, and it is not a matter of taking from some to give to others. Our objective is to fulfill our moral and historical obligation with those who have suffered the most. Each family's wellbeing will have to be the measure of the nation's prosperity. The strive for equity is aimed at attaining a better standard of living for all Mexicans, but those who have less should benefit more than those who have achieved more. My proposal has been inspired by the sentiments of the nation of Morelos. [applause]

To confront the present depressed standards of living, we are going to incorporate people into the job market by promoting new social forms—productive programs that will increase social wellbeing and not indiscriminate subsidies that perpetuate inequality. The programs will include nutrition, low-income housing with speedy credits, attainment of justice, scope and quality of education, electrification of communities, drinking water, farming and health infrastructure, reforestation, and recoverable investment programs. Mexicans participating in this program will have the solidarity evidenced during the 1985 earthquakes in a permanent manner. I call on all my countrymen to commit themselves and express solidarity with those who have less to confront the sometimes dramatic situation of the low-income population.

The primary and basic task of a good government is to offer security in the daily lives of citizens, their families, and their possessions. I will not make concessions in the attainment of security for all Mexicans in our country in the 6 years that lie ahead. People are tired of criminal impunity, the arrogance shown by some government officials, and the systematic disrespect of the law by some of our countrymen. With respect for its autonomy

and dignity, we will work together with the Supreme Court of Justice so it is able to comply with its responsibility as a constitutional court, and we will render all our support to the federation's Judicial Branch. [applause] We will renew the country's police institute and will stringently readjust its structure to guarantee control, honesty, and efficiency. We will combat crime with speed and equity. I will submit a legal reforms proposal to increase the penalties for the most troubling crimes. The people demand energetic action and I will attend to their request. [applause]

Drug traffic has seriously endangered Mexico's security and health. The struggle against this traffic has already become a state concern. I will create a new department in the Prosecutor General's Office with a large and well-trained staff, which will be devoted exclusively to this struggle. We will prosecute drug traffickers even more and impose stiffer sanctions on them, whoever they are.

We will realistically and resourcefully make every effort to establish an efficient basic services network throughout the country. The government cannot and should not assume the sole responsibility of solving this problem. Many population sectors can also contribute toward a solution. Our objectives are clear: We have to ensure food supplies in rural and urban areas, stabilize the staple market, and decrease inflation. In the supply area, we have to transform the marketing system and establish a clear-cut policy to implement absolutely essential subsidies. We plan to expand and improve our basic health services, particularly regarding treatment of the public, which should be cordial. We must increase the sector's decentralization and update its infrastructure.

Our housing goals will remain high because the home is the first concrete space in which life evolves, customs are formed, and values and morals take root. We will respect and renew the environment. We will have to learn to live without polluting the environment by changing our attitudes and behavior, without exceptions, because all of us can be harmed. We will immediately take steps to allow more pensioners and retirees to benefit from the social security system because they have worked their best for our homeland's good. [applause]

One of our main tasks in the coming years will be to ensure a good education for all. We will, however, strive to reach the educational quality that both society and our economy demand. If we lag behind in the revolution of knowledge, we will cancel our future. I will direct more resources to basic and midlevel education. We will meet the demands for higher education centers and better working and living conditions for professors, researchers, and employees. Society expects youth to be better educated and to work harder. I want to tell our teachers their work is fundamental. They have the serious duty to educate our children in a climate of freedom. I am convinced, however, we will have to raise these teachers' standard of living if we are to demand greater quality from them. We will keep our word to teachers so they

can keep theirs to Mexico. I am instructing the public education secretary to call teachers, parents, and responsible organizations as soon as possible so, in the framework of freedom of education, a program can be drafted to greatly transform the educational system, without which the country cannot be modernized or justice achieved.

I hereby respectfully call on the governors to make good use of this government pledge for more safety and a better standard of living. I believe that within the area of your responsibility, you will respond intelligently and efficiently to this great clamor of your fellow citizens. In addition to social and production needs, two demands are being made by each home, family, and working center in Mexico City: more security and less pollution. The capital is in the midst of a health and security crisis. Mexico City's residents are fed up with the authorities' promises to curb the growing lawlessness. Relatives and friends are being abandoned and outraged, and their children are already suffering the effects of pollution. I am giving specific, urgent, and strong instructions to the Mexico City department head to take immediate and effective steps to encourage the population to participate in efforts to check crime and pollution. The population has said: Enough! The people cannot wait, and they are right. We will act strongly and in a timely manner. [applause]

Fellow citizens: These three national agreements for democracy, development, and justice require shared responsibilities, commitments, and work. Mexico's current situation and our fellow countrymen's just demands have made these efforts indispensable. To succeed, much work for political agreement and social communication will be necessary. The future of the nation will depend on the results of these efforts. We have the potential to turn our objectives into realities. We have to join forces and make the additional effort our objectives demand. Mexico needs that, and our children deserve it.

The implementation of the three national agreements will result in our foreign policy's having not only the support of the state but also that of society as a whole. The support given to Mexico so it may better face its international challenges will result in the successful implementation of domestic agreements.

Mexico's foreign policy will remain unchanged: in favor of nonintervention and the self-determination of the people, international cooperation for development, the peaceful solution of conflicts, and peace. It is against the use of force or the threat of force in international relations and for the juristic equality of all states.

It has been our tradition, almost our nature, to zealously defend our political independence. Without forgetting this, we must also understand that in today's world, time and distance are almost nonexistent. Economic, social, and cultural relations are becoming increasingly interdependent. There is more interdependency between the

rich and the poor, the powerful and the weak, North and South, and East and West. Turning Mexico into a modern country means opening up to today's world and reaffirming our identity.

We will seek new balances with the United States of America, the land of opportunities and delicate differences [delicadas diferencias]. We will deal with the serious bilateral problems of the debt and trade, initiate an all-out war against narcotics trafficking, and the work for the protection of the human rights and labor rights of our migrating workers. Out of respect for our people, these challenges demand from us a most determined joint effort and respectful cooperation.

We will further strengthen our relations with Canada. The similarities between the difficulties we face and those being faced by Latin America and the Caribbean, and the new world situation, demand a vigorous policy of relations with this region to strengthen regional identity and effectively open roads for development and democracy.

I know Mexico's point of view coincides with the other Latin American nations'.

I want to greet the distinguished heads of state and government who are here: Raul Alfonsin of Argentina [applause], Manuel Esquivel of Belize [applause], Dr. Virgilio Barco of Colombia [applause], Commander Fidel Castro of Cuba [applause], Jose Simon Azcona of Honduras [applause], Jose Napoleon Duarte of El Salvador [applause], Vinicio Cerezo of Guatemala [applause], and Commander Daniel Ortega of Nicaragua [applause]. Your presence in our country represents a ratification of the will to strengthen our ties and open a new phase of integration among our nations. My gratitude goes to you. Please convey to your people a ratification of Mexico's commitment with Latin America and the Caribbean.

We will strengthen our relations with the integrating dynamism of the European Community. We will open and expend paths of communications and relations with the Pacific basin, especially with Japan, which is our brother in efforts and cultural depth.

We will maintain our friendship with the USSR as well as with India. We will seek to continue increasing cooperation with the PRC as well as with the countries of Africa and Asia.

We will promote fruitful and respectful relations with all the nations with which we maintain ties of friendship and understanding. Economic and political benefits for Mexico will be undeniable. I appreciate the presence of your official delegations. [applause]

I proudly assume the lofty responsibility of supreme commander of the Mexican Armed Forces. [applause] I will perform this honorable job by always protecting the

sovereignty and independence of the country, the integrity of its territory, and its national security. I will do so by strictly following the Constitution and laws that rule us and by the norms of international coexistence. The Armed Forces are composed of the people and committed with their dearest ideals and desires. The Armed Forces are an example of patriotism, institutional loyalty, spirit of solidarity and sacrifice, and peaceful and democratic vocation.

I will try to strengthen and modernize them by increasing their operational and administrative efficiency. I will promote raising the professional, moral, and economic standard of the Armed Forces members and their families. I recognize the valuable contribution of our soldiers and sailors to the country's development, and I am encouraged by the conviction that I can depend on their firm support and loyalty in the great task of forging a vigorous, just, and democratic Mexico, to which we all aspire. [applause]

Honorable Congress of the Union: I will comply with the mandate entrusted to me by the majority of the people. To do so, I reaffirm that I will govern for everyone. It is appropriate at the beginning of every new administration to appeal for the unity of the Mexican people because we know that divided and opposed tasks can only degrade the spirit and conceal the hope of society.

Today the appeal for unity is deeper and more vigorous. It is a necessity of collective survival and thus the main purpose of my administration. We all have the responsibility to maintain social peace, a treasure handed down to us by our forefathers that we are obliged to preserve for our children. We are all responsible for Mexico's recovery. United, there is very little we cannot achieve. Divided, there is much we will not achieve.

We are heading toward the encounter of the new national unity, a unity sensitive to the demands of the majority, a unity of solidarity and coresponsibility. The unity will demand the best of ourselves: courage to overcome obstacles, and boldness to reconcile actions and purposes. We are going to construct a society of coresponsibilities. It is a committed task in which we must all participate. I ask for solidarity to strengthen achievements and augment them. We are going to construct a society in which demands and desires will find ways to express themselves. The people of Mexico demand from us simple things that are nevertheless profound: Fulfill the promises, do what one says, and respond to the past.

The Mexicans want changes that will raise their welfare, respect their dignity, and guarantee their security. I assume the responsibility to respond to this demand. For a change, let us act and do it now. Mexico has not stopped; it is immersed in enormous dynamics. This is what each one of us can do to continue changing together. With new practices, we can actualize the relations between the state and the peasants, eliminate paternalism by protecting the weak and giving them

protection and defense, recognizing in facts the proven ability of the peasants to organize and conduct their own destiny. We must be promoters of the peasants' new way of life, where their work is converted into just income and welfare.

I appeal to the peasants to make an additional effort to produce more and better and to fully and responsibly assume the control of their organizations. With new relations, we can strengthen the bonds between the state and the labor movement, giving priority to employment and measures to reestablish the value of wages. I pledge to draft with the worker organizations the bases of new labor legislation for the 21st century. [applause]

Their participation will be indispensable toward guiding the modernization under just and productive conditions.

I recognize and praise the great job done by government workers. We will raise their standard of living and ensure that the importance of their work is recognized. [applause]

We are going to change the relations between the state, the poor and the middle classes. I will promote conditions for their participation and organization. They shall find in my government an open and flexible attitude; they will receive answers to their demands. I will support a permanent dialogue to promote change and forge a new urban culture. I urge professionals, small businessmen, service industry workers, and the men and women in our cities, to channel their great vitality for change toward constructive goals.

We are going to strengthen the ties between the state and the intellectuals. Through a new council of the National Culture Plan, we will participate in the promotion of a thriving culture, scientific and technological research, and the practice of creativity within the most broad and accurate sense of freedom. It is clear that without freedom there can be no culture, education, or genuine development. I will open the state's electronic media to the free flow of ideas and images, criticism and debate.

We are going to modernize the relations between the state and the media. We will work for better relations between the media and the government, between the media and the people. I reiterate my absolute respect for the full and responsible use that the media make of the freedom of expression, which is a vital element of democracy and good government. [applause]

I reiterate my commitment to the businessman. I will create an environment that will favor private investment and contribute to the creation of jobs and wellbeing. I am determined to support the modern businessman who risks his money and talent aware, and respectful, of the needs of the people. The government will set clear rules and make its actions credible. We will simplify rules and regulations that only hinder production and create bureaucracies. We will promote foreign investment

based on our priorities in an attempt to create jobs, exchange technology, and increase our exports. I ask businessmen to invest and reinvest, which is a modern and enterprising system; and I also ask them to continue contributing toward our economic stability to help everyone.

We must change our relations with the young. I will be receptive to their enthusiasm, their spontaneous and intuitive solidarity, and their acute sense of justice. I will be receptive to their demands for better education, employment, worthwhile and well-paid jobs, and for recreation centers to reduce the risks of vice and drug addiction. Most important, and as I promised, I will implement a sports promotion plan such as we have never seen before. I ask you to continue being nonconformists, to increase your organized participation, and reaffirm your pride in being Mexicans. [applause]

We are going to ensure the full incorporation of women into national life. I will ensure that women's rights are respected and more jobs are opened to them. At work, in politics, at the factory, and in the field, let us forget our old practices. I have said it before, and I repeat it: equal capacity, equal opportunity. We want Mexican society to be ruled by merit rather than by discrimination between men and women. Protecting the physical and moral integrity of women will always be a priority of my government. I value the contribution of Mexican women both at home and at work. I know they will continue to participate actively in the transformation of the country. I believe in women's causes and that their successes will be victories for Mexico. [applause]

We will change the state and society. We will also change our attitude and behavior toward children and give priority attention to their needs. They are the reason for our efforts. We will work to support and strengthen the family, which is the nucleus of our basic values. To care properly for the children, we must first take good care of the family.

We will make an unprecedented effort to meet the basic needs of Mexico's children. Let us instill in them the values of self-respect, devotion to duty, honesty, justice, freedom, and an appreciation for the efforts of their parents, community, and fatherland.

I will demand that my aides fulfill their duties efficiently, regardless of our personal relationship. I will also demand their most scrupulous and honest personal behavior and their greatest efforts. [applause]

On promising to fulfill the people's mandate as president of Mexico, I declare that I assume my duty solemnly, I take up my responsibilities with enthusiasm, and I vow to serve the republic with passion.

There is no fear or disappointment in me. There is firmness and optimism. [applause] I respect and also learn from our history. I believe that our sovereignty and independence are sacred, and I love my country and my people.

By giving myself to Mexico, I will increase my strength and will make my days longer. This is my vocation and calling. Mexicans, building a country is not a deed accomplished in one heroic stroke; it is a task performed day to day by men and women.

Our beliefs, traditions, language, and everything that has built Mexico through the centuries are an infinite reserve of strength and toughness.

However, how can one ignore the great obstacles that sometimes seem to block our horizon? There are always some who, under these circumstances, sink in despair, cynicism, and fear. And there are always some who seek to make personal gain from uncertainty. But the majority of Mexicans are united by a wish and a conviction to open and clearly see the nation's horizons. It is the conviction that we will reach our goal only if we view it as a joint venture.

A nation is a community that shares a past and a future. It is a past, a history, a culture, and a set of values that are essential to its tradition. It is a future, a historic project that unites dispersed wills in a common task. Linking the past and the future, a nation is the memory of what we have been and the affirmation of what we will become.

If nostalgia for the past were stronger than our determination to face tomorrow, the nation would keep repeating its history until it became the shadow of what it was. If, on the other hand, we forget what we were, our identity would disappear.

Therefore we must move on, so that Mexicans can be loyal to our past and shape our future. Without ignoring its risks, I feel that the present situation is not a reason to get discouraged but to build our spirit.

We have responded with patience, tenacity, and determination to each blow from adversity.

We have endured, we have persisted, and I am sure we will win in the end! [applause]

A civilization was born in Mexico more than 3,000 years ago. Since then, even in periods of civil discord and social and natural disasters, we Mexicans have not stopped working, creating, and building. Ideas have changed. Each era has its own ideas, but we cannot permit a change in the solidarity among us or our faith in Mexico and its destiny. Our past is more alive and is

something that goes beyond a mere cause of legitimate pride. It is an example, an incentive, a stimulus. It is an invitation to think on our own and to release our people's creative spirit.

The nation asks us to fill the future with projects that respond with dignity and imagination to those carried out by our grandfathers. Mexico's past looks to today's young people and demands creative efforts. For all of us, Mexico has been and must be a constant memory reborn each day.

Compatriots, let us reaffirm our pride in being Mexican. Let us not ask for trust in ourselves, let us put our trust in Mexico. Let us spare no effort for the nation. We must give our efforts generously, without reservations and conditions. Let us not wait for solutions, let us contribute them. Let us look into our children's eyes and tell them with pride about what we have been and what we are capable of. Let us answer the young generation's legitimate demand for a better future. Let us recover our spirit. Let us be optimistic. Let us continue waging the struggle with joy. Mexico remains proud and firm because it has victory before it.

I have faith in Mexicans. I will preside over their efforts. I will defend their dignity. I will encourage their emotions. We are a great nation; let us show this greatness to the world with a sense of pride. When facing challenges, let us demonstrate once again through our actions that Mexico is great. Our fatherland will triumph. Long live Mexico! [applause]

FDN Deputy's Speech Cited

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[Speech by Deputy Marcela Lombardo Otera de Gutierrez, representative of the National Democratic Front (FDN), during inauguration of President Carlos Salinas de Gortari at San Lazaro Legislative Palace in Mexico City—live]

[Text] Citizen president of the congress of the union, citizens deputies and senators, fellow countrymen: Today is a unfortunate day for the republic, because a serious affront is being consummated against the sovereign right of the people to elect their rulers. The parliamentary groups from the Authentic Party of the Mexican Revolution, Popular Socialist Party, Cardenist Front for National Reconstruction Party, Mexican Socialist Party, and Democratic Current hereby define our stand concerning the significance of the oath of office to be taken today by he who will take over the executive power against the will of the people.

Carlos Salinas de Gortari has not earned this position as a result of the will of the majority, which was expressed in favor of another candidate, Cuauhtemoc Cardenas [applause], and in favor of another program radically different from the one that has been implemented during

the previous 6-year term. Mexicans rejected the continuation of a government that has already led the country to its deterioration in all sectors as a result of commitments acquired with speculative financial and oligarchic groups in obvious alliances with foreign forces.

The people voted for recovering the path of national dignity, progress, and independence that was opened by the Mexican revolution and for advancing toward the establishment of a new democratic regime. Despite the electoral fraud, the citizens' efforts have not been in vain. For the first time in recent history the voices of genuine representatives of the people are being heard in this ceremony, reflecting a new correlation of political forces that will eliminate the traditional submission of congress and will begin to dismantle the absolute power of the presidency.

Mexico's situation is truly critical. The political conflict has reached levels unknown in past decades. While the economy continues to deteriorate, the working majority endures an aggression against its standard of living and the country's dependence on foreign powers becomes more acute. This panorama demands a national, popular, and democratic solution. Right now, deep transformations are required, for which the parties, organizations, and members of the FDN hereby contribute our determined efforts with the greatest responsibility before the people of Mexico.

Our commitment is to maintain the struggle to effectively open the possibility of replacing leaders through democratic means. Respect for votes is essential in a civilized society. All public power that does not stem from the people is illegitimate, offends the civic spirit, and severely harms the country. That is why the most urgent reform Mexico demands is a political reform, a regime with effective suffrage, with new electoral laws, with equality among parties, with a true electoral registrar and impartial authorities.

There is no democracy with an official party and submissive labor unions. [applause] There is no democracy with submissive labor unions that deny their members freedom of political affiliation. There is no democracy with a monopolized mass media, with a press subordinated to the government, and with public resources illegally used to benefit the ruling party. [applause]

There is no democracy without municipal autonomy, an efficient federal system, an authentic separation of branches, control and surveillance of the executive branch's actions, and the Mexican Congress' regaining its legislative capability. [applause]

The new democracy will have to abolish all government officials' political and economic privileges, eradicate public and private corruption, and open doors so the Mexican people fully exercise their corresponding rights in leading the government. The new democracy will have to grant most ample freedom to the Mexican people.

Federal District residents cannot continue living under a special status. They demand full citizenship, including the ability to elect their leaders and local representatives. Therefore, it is necessary to create the state of Anahuac. [applause]

The government must stop concentrating revenues and property around those who benefit from the financial and monetary speculation promoted and protected by the government. Social inequality must not increase at the expense of the majority, which has been impoverished by the crisis and the government's economic policy. We need a thorough fiscal amendment leading to a fair and equitable distribution of national wealth. We must recover economic growth through the strengthening of the local market. That recovery demands an increase of rural and urban workers' purchasing power and the modernization, expansion, and improvement of the productive system in accordance with national interests.

To conduct all those actions, we must suspend the payment of the foreign debt under the current terms, [applause] because now the country cannot use any other resources to promote its economic growth and improve its population's welfare. We must stop depending on foreign financing, because we do so at the expense of perpetuating our stagnation and promoting backwardness.

All new loans must be fully justified. They must consider resources and payment terms and procedures, and they must be approved by the National Congress and endorsed by the Mexican people.

It is necessary to stop the privatization of state enterprises. [applause] We must undertake their democratization through workers' participation. We must strengthen the nation's control over its strategic resources and priority activities by returning to a patriotic and revolutionary path that will guarantee the development of our productive forces independently from forces abroad.

Oil extraction should be limited to satisfy local demand. Oil exports, from where we receive funds to pay the foreign debt, must be gradually and significantly reduced to guarantee future fuel supply for the country. Mexico cannot continue increasing its food dependence. Rural areas demand government assistance to increase production and productivity and to guarantee product supply by improving their irrigation system, obtaining larger credit lines and technical assistance, better organizing products, and improving the rural economy.

The fight against contamination should be carried out by the organized people and authorities. The deterioration of our forests, lands, and the air we breathe should be halted. In general, citizens demand better security. It is necessary to meet those demands with effective measures, with an authentic judicial reform, and with the police corps.

Mexico is crucial for the future of Latin America. Its role in the integration of our geographical and cultural area will be greater to the extent that democracy and national independence are developed. The unity of our peoples is a necessity that cannot be postponed. It is important for Mexico to reassume its responsibility in promoting peace in Central America and in restoring its solidarity and support to the Nicaraguan and Cuban causes. It should defend as its own the right of all peoples to self-determination. [applause] It should make effective contributions to peace, disarmament, and international justice.

Citizen legislators, we are suffering from the tightening of democratic spaces through the excessive reform of laws, the multiplication of defective electoral practices, and the institutionalization of fraud as a state policy. [applause]

Disregard for votes and violation of legal procedures by illegitimate authorities have been common practices, both in past federal elections and in local elections held in Veracruz, Tabasco, Nuevo Leon, Colima, Chiapas, Tlascala, and Campeche. Through the skillful misinterpretation of the law, the candidacies of the FDN parties were prevented from running; candidates were or were not registered according to the wishes of the government. They have even attributed candidacies to other parties. On many occasions, even through the use of force, they have prevented the presence of our representatives at the voting polls.

The government has used illegal practices. It has prevented citizens from recovering our rights and has canceled the people's legal means of defense. It intends to force us to either passively accept the impositions or resort to violent confrontations. The forces that compose the FDN reject both options. We will not give in to threats and abuse, and we will not fall to provocations. We have not called on the Mexican people to turn to violence, and we will not do so. We want to make progress in democracy by means of the people's organizations, social mobilizations, and the political struggle.

According to official figures, we are the second electoral force in the country. We believe we are the first, and the people know it. [applause]

In any case, no one can rule...[interrupted by Chamber of Deputies President Socorro Diaz, who calls for respect and attention to the speaker]

In any case, no one can rule with their back turned to the people or against the political forces that represent the majority's will. It has repeatedly been stated that we have refused to hold a dialogue and have refused to reach an agreement. Actually, the government and its party have made it impossible up to now. We have been and will continue to be willing to hold discussions, exchange ideas, and seriously study the national problems and their solutions. [Socorro Diaz again interrupts, calling for order and requesting respect for the speaker] We have

been and will continue to be willing to hold discussions, exchange ideas, and seriously study the national problems and their solutions. [repeats sentence] However, we will not cease in our most important demand of respecting the Constitution and the law as an essential element of all political relations.

The FDN forces will continue struggling for power until we achieve it for the benefit of the people. This is legitimate and natural in all democracies. The millions of Mexicans who have joined the political struggle with the FDN, alongside Cuauhtemoc Cardenas, [applause] are the majority of the Mexican society that have made the determination to build a just, free, and democratic fatherland. With this conviction and with the growing support of the people, we are sure that with victory we will rebuild and transform the country.

Citizen legislators: The strength of our principles has gained us the confidence of the Mexicans. We will never disappoint you.

As a sign of protest, we [the FDN] will leave this room in due time so as to endorse [applause]—so as not to endorse [corrects herself]—with our presence—the offense that will be completed here today.

Long live freedom! [audience responds: "Viva!"] Long live independence! [audience responds: "Viva!"] Long live Mexico! [audience responds: "Viva!"] [applause]

PRI Deputy on 'Legitimacy'

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[Speech by PRI Deputy Jose Luis Lamadrid Sauza during inauguration of President Carlos Salinas de Gortari at San Lazaro Legislative Palace in Mexico City—live]

[Excerpts] I must explain my own participation in this ceremony. It is not the private participation of a legislator, but the participation of a deputy of a parliamentary group. I have been given the task to express the views of the majority in the chambers of the National Congress. [passage omitted]

As of today, Carlos Salinas de Gortari is the new constitutional president of Mexico. [applause] Legislators representing the majority and the opposition, let us not play the game of partisanship or biased positions, which have resulted from the use and abuse which has been perpetrated—both at the academy and debate level—concerning the concept of legitimacy. Let us not center on that point.

Because of the many meanings of the term legitimacy and the various disagreements about its meaning, let us stress the essential meaning of the word legitimacy. Regarding governments, political parties, and political

systems, legitimacy is defined as the existence of free majorities and oppositions. In our case, those majorities and oppositions act in an entirely free manner.

Because of the days we experienced for over 4 months since the formation of the Electoral College, that entirely free expression of positions by the various parliamentary groups resulted in itself and paradoxically in a legitimate expression of our political process in its transition toward higher democratic stages.

Legislators, the weight of the voices of those who deny legitimacy to those who assert it dialectically supports the legitimacy of the overall Mexican political regime and contributes to strengthening legality and legitimacy. [passage omitted]

PRI legislators aspire to turn the National Congress into a privileged forum, into the axis of the great national dialogue, which the Mexican people now demand. [applause]

If PRI members now agree with the opposition groups in altering the typical agenda of this Congress session, it is because we believe political dynamics demand that we attend to—as we said at the beginning—the new circumstances we are experiencing, and because we believe that initiative is a search for and an exploration of formulas capable of finding the basis for a new relation consistent with the new realities between the executive and legislative branches. [passage omitted]

Congress President, now that this point of the agenda has been completed with the three agreed speeches, and after the previous procedures, we must go on to the next point in the agenda, which is appointed by the Constitution for this type of Congress session: the ceremony of swearing in the new chief of the Mexican federal executive branch. [applause]

PAN Representative Speaks

*PA0212030788 Mexico City Television Service
in Spanish 1601 GMT 1 Dec 88*

[Speech by Deputy Abel Carlos Vicencio Tovar, representative of the National Action Party (PAN), during inauguration of President Carlos Salinas de Gortari at San Lazaro Legislative Palace in Mexico City—live]

[Excerpts] Madam President, honorable Congress of the Union:

I speak in unprecedented circumstances, not because it is unusual for the people to exercise their right through their representatives in a republican regime, but because after 59 years of installing a party-government regime, the Mexicans have their rights limited, above all when trying to exercise that right outside the government circles and commitment toward the official party. [passage omitted]

Reiterating its ability to make proposals, PAN released on 18 November 1988 a brief summary outlining the reason for its existence as an instrument at the people's service, the sense guiding its power of transformation, and its contribution to the nation, which is to offer the whole nation, as one of its leading groups, the possibility to make the transition from a de facto to a de jure regime.

It is advisable to bear in mind, even if it is in a concise way, PAN's proposals and demands regarding various subjects. Regarding economic and social policy, we demand reforms to allow all Mexicans to receive a just income, have access to the benefits of development, and immediately recover their purchasing power, which is a matter of survival for the working class; a sensible rescheduling of payments on the foreign debt; and full recovery of land resources under the various landholding patterns as the basis of national production. We demand full enforcement of human rights and their guarantee by the authorities, including, of course, the judiciary as the political branch in charge of administering justice.

Regarding educational policy, we demand a reform of structures to grant access to all Mexicans engaged in the nation's educational efforts for all sectors, abandoning the current illegal monopoly on education that is currently being exercised and respecting the parents' participation in the drafting of programs and in the educational work. [applause]

Regarding political democracy, it is absolutely necessary to treat political rights within a constitutional framework similar to that of individual guarantees. Also necessary are a definition of the functions and responsibilities of the news media and, of course, a complete reform of the electoral legislation and practices to guarantee all citizens respect for their decisions on the subject. To do so, the illegal confusion between the government and the official party—with all resources and all the consequences that make Mexicans suffer—must end. [applause] [passage omitted]

For these and many other reasons, the origin of the new government and its president is illegitimate [applause, shouts] and will continue to be illegitimate until the end of time. [applause, shouts] However, in view of the urgent need for the administration to exercise its authority so society may become cohesive and able to help man live and make his mark, there is always the possibility that the actions of the de facto government will become legitimate through the exercise of the common good. However, this may sound strange to some who may allege that this reasoning may permit a repetition of violations of the people's will and a subsequent attempt to legitimize the holding of power. This may be repeated during a people's infancy, but Mexico and Mexicans have, despite their government, reached a stage of full maturity. [applause] [passage omitted]

The composition of the cabinet, of which some members have not exactly been promoters of dialogue or democracy, is, unfortunately, a bad omen. [applause, shouts] Since we are still on the road to attain power, we are still the opposition. We are a defined opposition, an opposition bent on achieving its objectives. We are still in the opposition because it is extremely urgent to transform Mexico's current political structure to place it at the service of Mexicans. [applause] We are the opposition because the majority of Mexicans have found themselves reviled, mocked, and more and more impoverished by governments that still dare to call themselves revolutionary. [applause, shouts]

We are the opposition because the dynamic relationship between the people and the government must urgently be changed, because every Mexican wants the government to serve him and not force the people to serve it. We are in the opposition because during a long stretch of contemporary history the domineering regime has shown its inability to change the social structures and place them at the service of security, sufficiency, and justice for all Mexicans. Many legislative reforms must be undertaken. However, the reform of the structures and the reform of the political culture are much more important. [passage omitted]

Comparison of Report on New Cabinet

Mexico City XEW Television Network in Spanish at 1304 GMT on 1 December broadcasts a report on the announcement of the cabinet of President-elect Carlos Salinas de Gortari. The Mexico City XEW Television Network list of new cabinet appointees has been compared to the Mexico City XHTV version published in the 1 December Latin America DAILY REPORT, page 18, column 1, revealing the following variations:

The XEW version adds the following positions:

Secretary of Roads and Safety: Javier Garcia Paniagua

Presidency Information Director: Otto Granados Roldan

The XEW version also provides the following differing spellings:

Planning and Budget Secretary: Dr Ernesto Zedillo Ponce de Leon

Finance and Public Credit: Dr Pedro Aspe Armella

El Salvador

FMLN Seizes Radio Station, Airs Message

PA3011165688 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 29 Nov 88

[Text] While our medium- and large-scale ambushes become frequent on the outskirts of San Salvador, the action of the urban commando units does not cease in the heart of the enemy's rearguard. We have received a report on the action of FMLN urban commando units that seized Radio Vanguardia. The station is located in northern San Salvador.

According to the (?recorded message) left by the urban commando units, [words indistinct] U.S. intervention in El Salvador's domestic affairs [words indistinct]. The report indicates that the repressive forces were unable to rapidly detect the action by the urban commando units. The message left by the guerrillas also stated the FMLN's position on the recent OAS General Assembly in San Salvador with the participation of 31 Latin American delegates. The taped voice of the vanguard [words indistinct]. The urban commando units also warned the members of the death squads and the U.S. Embassy that the people will not sit idly by in the face of attempts to commit genocide.

In this way the armed people's repudiation and struggle against U.S. intervention and the action of the death squads [words indistinct] becomes widespread.

Two Stations Seized

PA0112193688 San Salvador EL DIARIO DE HOY in Spanish 30 Nov 88 p 77

[Excerpts] FMLN-FDR terrorists occupied two radio stations in San Salvador and broadcast a message declaring U.S. Embassy officials in San Salvador "military targets."

The stations were simultaneously attacked yesterday at noon by young men who were carrying books and who appeared to be students, some witnesses reported.

According to the police, at the "La Versatil" radio station the criminals were carrying weapons and demanded instructions on how to operate the transmission equipment. They then urged the workers to enter a room at the radio station, warning them not to leave the room because a bomb had been set.

The station is located on 5th Avenue North and 33d Street West, No 1803, passageway No 1.

The terrorists immediately broadcast a subversive message, which was on a 30-minute cassette. [passage omitted]

The police arrived shortly after the station was occupied, removed the cassettes, and defused the bombs, according to a public security spokesman.

Col Ponce on Rebels' Urban Actions, Response

PA0112203088 San Salvador Canal Seis Television in Spanish 0200 GMT 29 Nov 88

[Excerpt] Colonel Rene Emilio Ponce, chairman of the Salvadoran Joint Chiefs of Staff, has said that his units are attacking rebels in rural areas to prevent the rebels from attacking urban areas.

The Army today announced the implementation of an Army operation in five Salvadoran departments and a joint plan for general mobilization in San Salvador. Since last week, San Salvador has been the scene of the war. During the last few months the FMLN rebels have been carrying out actions in the country's most important cities.

Col Ponce said his units will increase their actions. He added that the rebels are trying to exert psychological pressure on the upcoming presidential elections.

[Begin Ponce recording] We are conducting a joint operation with the public security corps here in the urban and suburban areas of San Salvador to counteract the FMLN's terrorist actions. Obviously, terrorist actions are difficult to fight, but we are making all the necessary efforts to protect the San Salvador population and give them safety and calm. In addition to terrorist actions, we must also fight common crime in San Salvador. [end recording]

The Army is carrying out actions in Chalatenango, San Miguel, Usulután, and Morazan Departments and on Guazapa Hill.

According to an Army bulletin, the Salvadoran rebels sustained 38 casualties during the insurgent and counterinsurgent operations between 18 and 25 November. The bulletin does not report any Army casualties, although Radio Venceremos said the FMLN inflicted 266 casualties on the Salvadoran Armed Forces during various ambushes, attacks, and other military actions.

The rebel station also claimed responsibility for the murder of the mayor of Sesori, San Miguel Department. This is the eighth mayor killed by the rebels. [passage omitted]

35 Army Casualties Reported in FMLN Attacks

PA0212045788 [Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2300 GMT on 29 November broadcasts approximately 15 minutes of FMLN battle reports.

According to the first report, guerrillas from the Anastasio Aquino Paracentral Front inflicted "15 casualties on the repressive forces of the Infantes de Marina Battalion" in an attack along the coastal highway in the Tecoluca Jurisdiction.

The station then broadcasts a report from Guazapa Hill, which begins by saying that "at 0700 on 29 November" FMLN forces ambushed a convoy of three trucks "carrying troops of the 1st Company of the Bracamonte Battalion from Nejapa to San Salvador." The report adds that the troops sustained 20 casualties during the attack, "which was carried out with rifle fire and grenades." "The attack lasted 20 minutes and traffic on the highway was paralyzed for an even longer time."

Nicaragua

Ortega Discusses Regional, U.S. Relations
PA0112144488 Managua Radio Sandino in Spanish
1222 GMT 1 Dec 88

[News conference by President Daniel Ortega with unidentified reporters in Mexico City; date not given—recorded]

[Text] [Ortega] [Words indistinct] here in Mexico City, I believe it is a valuable agreement, which may contribute to decreasing tension between Honduras and Nicaragua. It could help us make progress in the search for solutions to the problems we have been facing for the past few years, since the United States decided to support the contras in Honduras. This has created tension between Honduras and Nicaragua. We must take into account that this agreement calls for a multinational commission with the participation of Canada, Spain, the FRG, Latin America, and the OAS secretary general.

This document signed by the Central American foreign ministers will be submitted to the UN secretary general because the United Nations has to join this effort. Our hope is that the work will be accomplished because [words indistinct] agreements. We also have the Esquipulas agreements, but they have not been enforced because of pressure from the U.S. Government. We know perfectly well that a decision of this nature is not supported by the United States, which believes it owns Central America and believes it is the only one that can [words indistinct]. The fact that European and North American countries such as Canada, which are U.S. allies, are involved in this peace process shows that the world is concerned about the problems in Central America. They are aware of the seriousness of these problems and of the possibility of direct U.S. intervention. Therefore, when we have been reporting the risk of a U.S. threat, which may lead to a military escalation in our country, we are not talking in an arbitrary or fanciful manner. Our statements are based on facts. [words indistinct] to defend the counterrevolution.

The fact that European countries who are members of the EEC are involved [words indistinct]. When the meetings began, the Central American foreign ministers received a note from the EEC countries; in this case,

Spain and the FRG. This shows that Nicaragua's concerns are shared by European countries and by countries such as Canada. The response we are getting corresponds to the claims being made by Nicaragua.

Therefore, we must point out [words indistinct] we have the first results of the efforts made by the Central American foreign ministers and we are looking forward to holding a foreign ministers' meeting in Managua in the first half of January. We will recommend that the presidents' meeting be held on 15 January. [Words indistinct] this is a challenge the Central American people have and all we have left to do is to work for these events to take place.

[Reporter] I have a question, [words indistinct] in the military field or is the verification commission being revived?

[Ortega] [Words indistinct] we are trying to incorporate this policy.

[Reporter] Has the same agreement that was reached with Costa Rica been reached with Honduras?

[Ortega] We did something different with Costa Rica. [words indistinct] with Costa Rica, there are no representatives of other countries. It is an agreement between the Costa Rican and Nicaraguan Governments.

[Reporter] Will the presidents' meeting be held in San Salvador?

[Ortega] Well, the meeting was scheduled for San Salvador. [words indistinct].

[Reporter] What about the lawsuit filed [against Honduras] at the International Court of Justice at The Hague?

[Ortega] No, that topic was not discussed.

[Reporter] Commander, from a Latin American point of view, what importance do you give to the Latin American presidents meeting here in Mexico City?

[Ortega] Latin America has made progress in solving its problems. It has been trying to overcome the ideological differences that exist in Latin America. A big jump was made in this regard at the Quito meeting, when the new Ecuadoran president was sworn in. The isolation of Cuba was broken in a very clear manner and Comrade Fidel Castro participated in that event. Today in Mexico City we have ratified and continued with this historic [words indistinct]. I believe this is healthy for the Latin American people, because we are forced to meet in a framework of mutual respect to exchange ideas and work to strengthen this front that can allow us to make progress in the areas of justice and independence in our countries.

[Reporter] The international media have been talking about the possibility of a meeting between President Ortega and a representative of the Ronald Reagan administration. Do you believe the necessary conditions exist to hold such a meeting?

[Ortega] [Words indistinct] but we have come here first of all for the inauguration of Carlos Salinas de Gortari. [Words indistinct] and we have also come here to meet with the participants and representatives of governments and political forces. In this regard, if the U.S. representatives are willing to hold talks, we are willing to talk to them. However, we have not come here specifically to hold talks with them.

Further Comments Reported

PA0212052188 Managua Radio Sandino in Spanish
0302 GMT 2 Dec 88

[News conference by President Daniel Ortega with unidentified reporters in Mexico City after meeting with Mexican President Carlos Salinas de Gortari; date not given—recorded]

[Text] [Ortega] Good evening, dear journalists. I send greetings and an embrace to the Mexican people. On this occasion I had the opportunity to meet with President Carlos Salinas de Gortari; we reviewed the normal, stable, friendly, and respectful relations that exist between Mexico and Nicaragua. We agreed to continue working for peace [words indistinct] and especially in the Central American region, because, as we all know, there is a conflict in Central America; in the peace proposals, Mexico has been an active element in favor of peace since the Contadora Group was established.

It is no coincidence that yesterday, here in Mexico, an agreement was signed—which I consider to be of far-reaching importance—among the Central American foreign ministers. The agreement determines the creation of a verification mechanism for security affairs in Central America. In a letter sent to UN Secretary General [words indistinct] so he will work on the implementation of this verification mechanism. This has been a important result of the meeting of Central American foreign ministers held here.

We have had the opportunity to talk with the Central American presidents present here, something we had not done since January, and to agree on [words indistinct] in San Salvador to give continuity to the application of the Esquipulas peace plan.

[Reporter] Can you tell us something about the damage caused by the war in Nicaragua?

[Ortega] The war has resulted in more than 54,000 victims in Nicaragua and has cost more than \$12.2 billion. That has been the result of the U.S. policy during almost 8 years in the life and economy of the Nicaraguan people.

[Reporter] [Question indistinct]

[Ortega] If the U.S. Government wants to act respectfully and comply with international laws, it must support, promote, and advance the decisions made by the Central American governments. It must respect the decisions the Central American governments make. In any case, it should encourage them and not obstruct them. In such a way it would be contributing so that stability and peace can arrive in Central America some day.

[Reporter] What can Nicaragua expect from the United States with George Bush as President?

[Ortega] Before George Bush was elected, we said that regardless of who was elected in the United States, Nicaragua should continue to expect a difficult policy from the U.S. Administration; the Reagan administration has shaped a policy against our country that will be inherited by the new U.S. Administration. If Dukakis had won, he would be in the same position as George Bush. The important thing is for the new U.S. President to consider the experience that these 8 years of U.S. war have meant for Nicaragua and its results, and from that experience to shape a more realistic policy for Central America.

[Reporter] What is your opinion of the speech delivered by Carlos Salinas de Gortari at his inauguration?

[Ortega] I think it was framed in Latin American interests. I am referring in particular to the emphasis he placed on Mexico's role in the Latin American concept. When he discussed the debt problem, we must consider that the problem of the debt is a common problem of all Latin American countries. We may have political and ideological differences [words indistinct] particularities of our internal contradictions, the truth is that beyond those contradictions, beyond those particularities, beyond those political and ideological differences, we have common problems that affect us all—above all, the unjust international economic system that pressures us, oppresses us, and does not provide room for us to take advantage of our material and human resources that are [words indistinct].

[Reporter] Have you discussed or are you going to discuss these situations with President Carlos Salinas de Gortari and will [words indistinct] continue exporting oil to your country?

[Ortega] We have a debt with the Mexican people. We have a very great debt with Mexico. It is a moral, political debt because the Mexican people and Government have been in solidarity with the struggle the Nicaraguan people have been waging. I stress: Even before the victory of the Nicaraguan revolution, we counted on the solidarity of the Mexican people and Government.

This solidarity and effort by Mexico to contribute to peace in the region [word indistinct] a constant of the Contadora and the Support Groups is its most important and most valuable contribution, and the greatest debt that not only Nicaragua but all Central American countries owe to Mexico.

[Reporter] [Question indistinct]

[Ortega] [Words indistinct] what it demonstrates is the exhaustion of the option that the United States brutally and [word indistinct] established following the overthrow of Salvador Allende's legitimate government. It shows the validity of Allende's thinking and actions. It demonstrates that the Chilean people are united, are always in high spirits, and are very much prepared to continue struggling until they achieve full freedom.

[Reporter] Esquipulas II (?failed) because there was no political will on the part of [word indistinct] of the countries that participated in the solution to the conflict. Will this continue? Will there be such a will after the forthcoming meeting of the Central American heads of state in January?

[Ortega] At this time—yesterday and today—it has been shown that the political will exists. Are there ups and downs? Yes, there are ups and downs. I think every process of negotiation is complicated and complex, and such a huge conflict as the United States has created in Central America is not easy to resolve. It cannot be unraveled; it cannot be untangled overnight; and [word indistinct] the difficulties the Central American peace process and the Esquipulas agreement have experienced.

So [words indistinct] when it looked like the deadline to [word indistinct] Esquipulas II, when it seemed it was breaking into pieces, it is now sort of reemerging from the ashes; it is reemerging from the dust here in Mexico, yesterday, through the agreement signed by the Central American foreign ministers, which is expressed in the letter sent to the UN secretary general and through the willingness expressed by the Central American presidents gathered here—the Guatemalan, Salvadoran, Honduran, and Nicaraguan presidents—to meet 15-16 January in San Salvador. We are sure President Arias will also support this proposal, because he has been represented here through his foreign minister [words indistinct].

[Reporter] After the meeting with other Latin American heads of state, did you discuss with them any particular contribution Latin America may make to the peace plan?

[Ortega] Clearly, there is concern in Latin America; there is concern the Central American [word indistinct]. The Latin American heads of state are interested in working actively for peace. I have talked with President Alfonsín and President Barco. They, who are taking part in this Latin American effort for peace in Central America, have reiterated once more their willingness to continue working to achieve peace in Central America and to

continue supporting it. At the same time, they were very pleased with the meeting of the Central American foreign ministers and the willingness expressed by the Central American presidents.

D'Escoto Discusses Relations With Honduras

PA0112200288 Managua Radio Sandino in Spanish
1200 GMT 30 Nov 88

[Interview with Foreign Minister Miguel D'Escoto by Luis Cabrera in Mexico City; date not given—recorded]

[Text] [D'Escoto] The first thing I would say is that one must not expect too much. First, this is an informal meeting; it is not a meeting of the Executive Committee. Second, a short time ago all of us met within the context of the UN General Assembly. We met four times.

What I would like to happen in this meeting is that Honduras desist from its totally absurd position of conditioning its compliance with international law, and even with the Esquipulas agreement, by saying they are willing to comply with the law and the Esquipulas agreement if we withdraw the suit at the International Court of Justice [ICJ]. We must remember that Honduras reactivated it and that, as a result, the ICJ will be returning a verdict in about 10 days. Therefore, I expect Honduras to say at this meeting: Well, enough now, let us move ahead, we are not going to continue the blackmail on the regional peace process. This is what I would like to hear, but let us see what happens. There are many problems in Honduras. I think they are realizing that Reagan is leaving and they will be left with the contras as a thorn in their side, as a very serious problem for Honduras. They will be left with the contras, the ICJ case, and AIDS. This is the legacy of the Reagan foreign policy in Honduras and a consequence of Honduras' policy of playing the empire's game.

[Cabrera] Father D'Escoto, Nicaraguan foreign minister: Concerning Honduras and the counterrevolution, according to remarks we read in the newspapers, this Monday Honduran President Jose Azcona Hoyo said the problem of the contras in Honduras will be settled in January or February when the new U.S. Administration takes over, but this whole thing depends also on the aid the U.S. Administration gives to the contras and on democratization in Nicaragua. May we have your opinion on this, please?

[D'Escoto] I think the contras do not like democratization. If they liked it they would never have left for Honduras. Honduras is the least democratic and most colonized country in America. Therefore, if they were looking for democracy they would never have gone to Honduras; President Azcona knows that perfectly well. He knows who actually governs in Honduras. In Honduras, those who were elected by the people to govern are not governing. Democracy means that the government chosen by the people is the one that governs. This is what we have in Nicaragua. This is not what there is in Honduras.

Therefore... [D'Escoto changes thought] No, I think the Hondurans have a serious problem because of this capitulating policy; I would not say this is President Azcona's policy, because he inherited this situation.

In any event, we are willing, we are very well disposed, to help Honduras overcome this problem. We are also willing to begin talks at an adequate level with the Honduran Government as well as with UNCHR [UN Commissioner for Human Rights] to begin putting together a program of voluntary repatriation. Among other things, this would imply allowing us to visit the contra camps. We know many people in the camps are not there voluntarily. They have been kidnapped and taken there and they cannot escape because they know they would be killed. For a long time, for many years, we have been asking the Honduran Government to allow us or the UNCHR to visit the camps and to place our services at the disposal of those who are anxious to return to Nicaragua voluntarily.

I think that—notwithstanding the Honduran Government's unquestionable guilt at the beginning of this situation—the time has come for us to cooperate with Honduras to solve this problem, which is not only a problem of the Honduran Government but of the Honduran people as well.

337 Nicaraguans Return From Costa Rica
PA0112154288 Managua Radio Sandino in Spanish
0300 GMT 30 Nov 88

[Summary] Two high-level commissions, one headed by Costa Rican Public Security Minister Hernan Garron and the other by Nicaraguan Interior Minister Tomas Borge, met at a hotel in San Juan del Sur last week. Garron and Borge agreed on a procedure so that Nicaraguans living illegally in Costa Rica because they did not qualify as refugees could return to Nicaragua. As a result of the agreement, 337 Nicaraguans returned to their homeland on the afternoon of 29 November.

Panama

Delvalle Signature on 'Unity' Plan Questioned
PA0112173288 Panama City MIEDIA in Spanish
29 Nov 88 p 11

[Text] Something that may well become an insurmountable problem for ADO [Democratic Opposition Alliance] members began developing over the weekend when—as was leaked to this newspaper—the people who released the so-called “political unity” document included the names of Roderick Esquivel and Eric Delvalle without consulting them.

The inclusion of the two names is specifically attributed to the MOLIRENA [Nationalist Liberal Republican Movement] and it is reported that leaders of the other opposition parties feel offended at having been placed alongside these two persons and, what is worse, without their consent.

Some who know that the two were not present when the document was signed have interpreted this to be a mockery and insist on being shown the original document to see the signatures of the two individuals.

The communique's chief purpose was to demonstrate that a unity front exists in order to receive the support of the United States during the coming elections, with Ricardo Arias Calderon as standard-bearer, the sources said.

The Civic Crusade is pleased with the document on political unity that was signed by the various political parties in order to join together to form a transitional government of national unity and broad participation.

According to the Civic Crusade, establishing this transitional government of national unity would entail a greater recognition of the Panamanian people's sacrifice to extricate the nation from the sorry state in which it has been placed.

In the Crusade's opinion, this transitional government is indispensable for establishing the solid bases required to achieve full democracy and must not be construed as the sum of the various political capabilities [espacios] of the groups comprising it. It must be a government of broad participation founded on the patriotic goals of institutionalization, democratization, and renovation of all government institutions and agencies.

Argentina

Naval Officers Reportedly in 'Open Rebellion'

PY0112150488 Buenos Aires DYN in Spanish
1542 GMT 1 Dec 88

[Text] Buenos Aires, 1 Dec (DYN)—At midday today, reliable official sources reported that officers of the Naval Prefecture "Albatros" Squadron are "in the state of open rebellion," after having left their base with weapons. Their whereabouts are still unknown.

Reports state that the officers, who belong to an elite group that fought in the Malvinas War, left their base in a northern metropolitan district after cheering former Lieutenant Colonel Aldo Rico.

Naval Officers Rebel

PY0112143488 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1410 GMT 1 Dec 88

[Text] Buenos Aires, 1 Dec (NA)—Government sources have confirmed that approximately 60 Naval Prefecture officers left the Zarate unit carrying weapons and communications equipment shouting Aldo Rico's name.

Rumors to the effect that the rebellion had taken place started in official circles this morning. At noon, a highly-reliable source confirmed the rebellion had taken place.

Alfonsin: 'A Little Problem'

PY0212004588 Buenos Aires TELAM in Spanish
2357 GMT 1 Dec 88

[Text] Mexico City, 1 Dec (TELAM-DPA)—Argentine President Raul Alfonsin has described the incident involving the insubordination of Naval Prefecture personnel as nonsense, and said it was just a little problem.

Alfonsin, who attended the inauguration of Mexican President Carlos Salinas de Gortari in Mexico City today, said the incident was nonsense—just a little problem.

Speaking to the press at the end of the inauguration ceremony, Alfonsin stressed that everything is under control and confirmed that he will make his scheduled tour of New York and Washington.

Angeloz Comments on Incident

PY0212003388 Buenos Aires Argentina Televisora
Color Network in Spanish 2200 GMT 1 Dec 88

[Excerpts] Now we will give a complete report on the events that took place early today. [passage omitted]

Some 45 to 60 prefecture members of different rank have illegally taken someone prisoner, although his identity remains unknown. According to rumors, the men stole 4 machineguns, 30 pistols, communication equipment, and power generators, and departed in 2 or 3 trucks. [passage omitted]

A few minutes ago, Radical presidential candidate Eduardo Angeloz said that the incident at the prefecture is an aftereffect of the Monte Caseros and Easter rebellions, and that it was inspired by some of the former officers who supported those rebellions and who are now at large.

Angeloz strongly repudiated the incident, convinced, he said, that he speaks for the vast majority of the Argentine people and also of the Armed Forces, which are deeply committed to the process of the consolidation of democracy. [passage omitted]

Defense Ministry To Investigate

PY0112150088 Buenos Aires DYN in Spanish
1447 GMT 1 Dec 88

[Text] Buenos Aires, 1 Dec (DYN)—The Defense Ministry is investigating the acts of indiscipline by members of the Argentine Naval Prefecture of Zarate. According to witnesses, prefecture members were reportedly carrying weapons and shouting Aldo Rico's name.

Sources of the Naval Prefecture admitted that "an abnormal event occurred in Zarate" but referred any information to the Defense Ministry which "we believe is evaluating the situation and will release a communique in this regard."

Some reports indicate that the act of indiscipline was caused by the salary problem and involves some 50 prefecture members. Other sources, however, said there are not that many members.

1 Dec Defense Communique

PY0112163688 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1620 GMT 1 Dec 88

[Text] Buenos Aires, 1 Dec (NA)—Today at 1400, the Defense Ministry issued the following communique:

"Today, officers of the Naval Prefecture 'Albatros' Squadron, comprising approximately 45 men, left their base with weapons aboard three vehicles.

"At this time, naval prefecture authorities are investigating the incident.

"The situation in other Naval Prefecture areas is normal."

2 Dec Defense Communique

PY0212012188 Buenos Aires TELAM in Spanish
0040 GMT 2 Dec 88

[Text] Buenos Aires, 1 Dec (TELAM)—At 2230 today, the Defense Ministry issued the following communique:

Early today, a small group of soldiers engaged in acts of indiscipline at units subordinate to the 100th Infantry Brigade.

The situation was immediately normalized. Action has been initiated to determine who is responsible.

Ministries Stay on Alert

PY0212031788 Buenos Aires DYN in Spanish
0230 GMT 2 Dec 88

[Text] Buenos Aires, 2 Dec (DYN)—The interior and defense ministers and the chiefs of the Armed Forces and Security Forces have decided to stay in their offices overnight due to the potential for unforeseen acts by the "Albatros" group which rebelled nearly 24 hours ago.

[Defense Minister] Jaunarena, [Interior Minister] Nosi-glia, [Federal Security Police Chief] Pirker, and other high-ranking officials returned to their offices after a meeting at Government House, where they discussed the situation in the military and the naval prefecture. The meeting ended at midnight. All those present agreed that even though the situation was not considered serious, "it is of concern," because as Pirker said, "there is a rebel group and we do not know where they are or what they want."

Military and government sources tonight sharply denied rumors that the "Albatros" group could be entrenched at the La Tablada 3d Infantry Regiment.

Police departments throughout the country, especially the Federal Police, received a complete description of all those included in the rebel group. This morning all targets, such as telephone offices, radio and television stations, and power transmission towers were under special guard.

In Army Headquarters in the Libertador Building, all high-ranking officials up to the rank of colonel remained in their offices overnight.

Bahia Blanca Radio Reports

PY0212105788 Buenos Aires DYN in Spanish
1022 GMT 2 Dec 88

[Text] Bahia Blanca, 2 Dec (DYN)—This morning a local radio station, LU 2 Radio Bahia Blanca, reported that there is an alleged uprising against Army Commander General Jose Dante Caridi at the Campo de Mayo infantry school. The Campo de Mayo garrison is located in Buenos Aires Province.

The radio station reported that this information was confirmed from Campo de Mayo by a unit officer who called and identified himself as Lieutenant Colonel Eduardo Manuel Olivera.

A communique attributed to Colonel Mohamed Ali Siemeldin [FBIS files list Siemeldin as chief of operations of the II army corps], who has been identified as "Army Operations Commander," was read over the radio.

The radio bulletin gave detailed information on activities carried out by Siemeldin prior to his trip to Argentina. [sentence as received].

Officers Reportedly at School

PY0212113388 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 0210 GMT 2 Dec 88

[Text] Buenos Aires, 2 Dec (NA)—A person who identified himself as Prefect Diaz has disclosed that the Naval Prefecture officers who yesterday fled from the Albatros Squadron are allegedly camped out at the Campo de Mayo infantry school.

This information has not yet been officially confirmed.

Troop Movements Reported

PY0212114688 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1215 GMT 2 Dec 88

[Text] Buenos Aires, 2 Dec (NA)—Two officers with camouflaged faces in fatigue uniforms are posted as guards at the main entrance of the Campo de Mayo Infantry School.

This morning an NA reporter verified that there are troop movements in the zone and the unit guards have been reinforced.

Uruguayan President Sanguinetti Interviewed

PY0112132188 Buenos Aires Argentina Televisora
Color Network in Spanish 2300 GMT 30 Nov 88

["Exclusive" interview with Uruguayan President Julio Maria Saguinetti by Carlos Campolongo on 30 November in Buenos Aires—recorded]

[Excerpts] [Campolongo] Mr President, inviting the Uruguayan president whenever Presidents Alfonsin and Sarney meet has become a habit. What are your conclusions about the integration process?

[Sanguinetti] For 3 years we have built an integration process which, like any building, must be built brick by brick, beginning with the foundation. This is a new stage, which is very important for Brazilian-Argentine relations. Uruguay has been present throughout this process and will continue to be present. Uruguay will actively engage in several areas of this process. This is an essential stage for us. We believe that the development of the region and of Brazil and Argentina to a considerable extent depends on the understanding between these two countries. We are part of the region and we are, therefore, fully engaged in this process. [passage omitted]

[Campolongo] The three countries have a common problem with different shades: It is our foreign debt, which was one of the concerns of the Group of Eight, which met in Punta del Este a few days [as heard] ago. The economy ministers of the Group of Eight will meet soon. In Punta del Este, the presidents considered the possibility, which

proved true, that George Bush would win the U.S. elections. The Group of Eight has even requested to meet with the U.S. President-elect. Are there any hopes or accomplishments in this regard?

[Sanguinetti] It is essential that we begin a new dialogue with the United States and the industrialized countries. We cannot, however, expect that this dialogue will produce miracles. I would say there are two major points. First we need a dialogue, because our countries will not grow if they isolate themselves from the international financial system or from the leading countries in the areas of technology and industry. We must form partnerships with them, and this goal should be accomplished through dialogue.

Yet we cannot expect any miracles, because there will be none. What we can and hope to find is a change and an understanding for the phenomenon of our development, so that we may alleviate the debt burden and also continue to finance our development. We need investment, which is the only tool that can activate the economy, promoting production and productivity and, thus, more job opportunities and higher standards of living. This is the real issue. I do not see the foreign debt as an isolated issue. We should see it as part of a much more complex situation. The foreign debt is as important as the protectionist policy of the industrialized countries, the world trade system, and the inflow of financial resources with which we will promote investment. Consequently, there are several important factors for development.

Yet internal factors also exist because we cannot consider the external situation alone. We should also offer an environment of sociopolitical stability to investors. I believe this is also essential. [passage omitted]

[Campolongo] Will the presence of the U.S. Republican Party in the U.S. administration make things harder or easier?

[Sanguinetti] In this regard, I usually say something that surprises people, namely that we are on very good political terms—and on relatively poor economic terms—with the U.S. democratic administrations, because they strongly protect their own industry and their farming sector. On the contrary, we sometimes have political differences on international issues with the republican administrations, while our relations in the economic field are a bit better, because they advocate a more liberal and open economy, which, so to speak, does not harm us. I believe the republican presence in the United States administration is an important factor. We cannot [as heard] influence the relations between the United States and our region. I believe we should work in good faith with the U.S. Government. We hope President-elect Bush will be the interlocutor that all of us expect. He knows Latin America. Secretary of State Baker also knows Latin America. He knows all of us personally, and he has worked with us and has helped us

with the refinancing of the debt and with our problems. I believe there will be a mature and responsible dialogue with the new U.S. administration. [passage omitted]

* 'Perestroika' Seen Opening New Doors to Trade
33480023a Buenos Aires *AMBITO FINANCIERO* in
Spanish 27 Oct 88 p 46

[Interview with Gustavo Lambertini, first vice president of the Argentine-Soviet Chamber of Commerce; author, date and place not given]

[Text] The political, social, and economic restructuring that the USSR has undertaken includes the possibility of partnerships with foreign businesses for the purpose of forming mixed firms that will operate in the Soviet Union. The objective is to meet domestic needs for certain products while at the same time incorporating the knowledge and experience of other countries, in addition to resources. In this way, the Soviet Union's exports will become more competitive.

Within this context, the First Exposition of Argentine Industry and Production in the Soviet Union is being held in Moscow between 21 and 28 October.

Showcase

This exposition was organized by the Argentine-Soviet Chamber of Commerce in conjunction with the Importers and Exporters Association of the Argentine Republic (AIERA), and is being sponsored by the Chamber of Commerce and Industry of the USSR.

Approximately 150 Argentine firms are participating in the exposition, with about 50 booths for the promotion of Argentine products. Particular emphasis is being placed on nontraditional goods, and the relationship between local businessmen and their Soviet counterparts is favored. Thus, small and medium-sized businesses will also be able to participate.

The possibility of trading directly with decentralized agencies (cooperatives, the republics through their respective ministries, or enterprises) means that Argentine industry will be in a position to satisfy the demand.

Opening

The need for Argentina to open up new markets for its exports, especially those that have not traditionally been offered, was stressed in an interview we conducted with Gustavo Lambertini, first vice president of the Argentine-Soviet Chamber of Commerce, hours before he departed for Moscow.

[Reporter] What has trade between Argentina and the USSR been like historically?

[Lambertini] Argentine exports to the Soviet Union have traditionally consisted of 80 percent raw materials, especially unwashed wool and grains. It should be noted that Argentina was the first Latin American country with which the USSR signed a trade agreement, in 1953. Beginning in 1980, pacts were signed for supplying soybeans, grains, and meat. As a result, between 1981 and 1985 the Soviet Union was our principal customer. A new agreement was signed in 1986, committing Argentina to the purchase of Soviet machinery and equipment. The aim was to balance out the trade somewhat. Because investment plans had to be cut back in the public sector, the plan to boost Argentine imports could not be carried out. At the same time, the USSR reduced its purchases, in view of the possibility of buying grain at subsidized prices.

Throughout 1987 Argentina imported goods amounting to \$5.819 billion, and exported \$6.399 [billion] worth, leaving a balance of \$539 million in favor of our country.

[Reporter] How is 'perestroika' influencing bilateral relations?

[Lambertini] The possibility of trading directly with the cooperatives or the respective ministries of the various Soviet republics means, at least in theory, that everything will be simplified in all aspects. Argentine industry is in a position to meet the demand for certain products in the required amounts, with competitive prices and quality.

For all these reasons, we believe the influence has to be positive.

*** Guadagni Seeks To Refinance Debt With Soviets**
33480023b Bahia Blanca LA NUEVA PROVINCIA in Spanish 15 Oct 88 p 3

[Text] La Plata—Buenos Aires Minister of Public Works Alieto Guadagni will leave for the Soviet Union this Sunday to negotiate the refinancing of a \$90 million debt for providing equipment for the Bahia Blanca Thermo-electric Plant.

Guadagni told LA NUEVA PROVINCIA that of the total \$230 million loan, "the province has already paid back \$140 million." He declared that "it will be feasible to negotiate over the balance."

He added that "independently of those negotiations," progress is being made toward obtaining a World Bank loan for \$55 million. He asserted that an agreement will be reached "by the first quarter of next year."

Guadagni stated that the negotiations regarding the debt of the Luis Piedra Buena plant include West German firms, and for that reason he will visit the FRG as well. The power plant's boilers came from that country.

Minister Guadagni pointed out that of the total \$90 million owed, "\$55 million is due in the next 3 years, and that is the amount we hope to refinance on this trip." He also confirmed that "we are hoping to bring on line the first group of generators in the Bahia Blanca plant by June of next year."

Guadagni went on to say that a pact will be signed in the FRG for the implementation of a long-term plan to convert automobiles to burn compressed gas. Another agreement will be signed with the Mayer company "to improve the organization of the Energy Office and of Sanitation Works."

He also confirmed that plans are under way for the installation of trolley-bus networks in districts of Greater Buenos Aires. A total of 33 vehicles will be purchased, and in the second phase, the same mode of transportation will be extended to La Plata, Tandil, and other cities in the interior of the province.

*** Cooperation Agreement With Italy Signed**
33480023c Buenos Aires CLARIN in Spanish
20 Oct 88 p 14

[Text] Argentina and Italy will cooperate in the area of technology research and development for the coproduction of defense materiel and reequipment programs, especially with regard to electronics, telecommunications, and the aerospace and shipbuilding industries. This was revealed in a letter of intent signed yesterday by Ministers Jose Horacio Jaunarena and Valerio Zanone.

The document, which was released yesterday shortly before the Italian defense minister returned to his country after a 3-day visit to Argentina, also calls for the development of cooperation between the two countries' armed forces. Special emphasis will be given to the areas of training and professional education. Within this context, joint naval exercises will be carried out in 1990, and in the immediate future a platoon of alpine soldiers will come to Argentina for a training period.

The letter of intent reaffirms the two countries' desire to strengthen Italian-Argentine cooperation, and states that both ministers examined military relations, "drawing inspiration from the values of freedom, democracy, and social progress, with relation to the objectives of stability, international solidarity, integration, and peacekeeping, as set forth in the treaty that establishes a private associative relationship between the Italian Republic and the Argentine Republic."

It also points out that, taking as a point of reference the letter of intent signed in 1985 by Ministers Carranza and Spadolini, "the progress that has been made and the prospects that lie ahead for technological cooperation have been confirmed."

Specifically, the document proposes the development of such cooperation in the area of training through the exchange of instructors in the respective war colleges and institutes of higher learning, and the participation of personnel in the training courses in each branch of the military.

It also calls for "the exchange of visits at all levels." It states that "both countries will proceed to the gradual extension of such initiatives, bound together by their desire to confront, with the same spirit that distinguishes them in international cooperation, the need to provide the most effective safeguard for freedom and democratic institutions."

The document concludes that "final verification of bilateral cooperation in the defense sector can be carried out on the occasion of the visit by Defense Minister Horacio Jaunarena to Italy in early 1989."

*** New Port Administrative Chief Outlines Plans**
33480019a Buenos Aires AMBITO FINANCIERO in Spanish 4 Oct 88 p 51

[Text] Engineer Ricardo N. Gastaldi has been appointed president of the board of directors of the General Port Administration (AGP). On taking office, he held a press conference in which he outlined what the board has done throughout the year and the prospects for the future.

Engineer Gastaldi held the vice presidential post in this state enterprise beginning last April, and in September he was confirmed as its new head. During his extensive career, he has been an active participant in the private sector, involved with the planning, management and administration of the construction of industrial establishments of the first rank throughout the length and breadth of the country. He also directed the development of various feasibility studies on investments to be made and the pertinent technical-economic assessments.

Control

On taking office, the new head of the AGP said that "our first task this year was to ensure the proper administration and control of the enterprise. When the board of directors began its work in January, we were having serious financial difficulties. Today we have reestablished control, faced up to our debt obligations and are trying to avoid recourse to the national treasury. Among other achievements, a contract has been signed for the construction of the new fishing wharf at Puerto Deseado in the province of Santa Cruz, thanks to nonreimbursable financial cooperation by the government of Japan in the amount of approximately \$20 million. We are also looking into the possibility of obtaining investments so that we can use the available land at the ports and can improve port operation and the income of the enterprise." Efforts to date have involved obtaining the Cangrejales area at the port of Bahia Blanca for the building of a plant for Cargill for the warehousing and

shipping of 65,000 tons of grain; obtaining an area for the construction of a shipping wharf for subproducts at the same site, for the Argentine Cooperatives Association; and obtaining a use permit for the installation of pipe at the present inflammable products station in Puerto Galvan and authorization for the building of a wharf extension for a propane products station for the Indupa enterprise.

More Efficient Collections

Among other activities, Engineer Gastaldi stressed "the recovery of land in Puerto Deseado for the future installation of cold storage plants, administrative restructuring of the enterprise, revitalizing the handling of bill collecting, reduction of expenditures, the sale of surpluses, etc. This has made it possible to bring owners' contributions up to date and to collect other debts totaling 20 million australs, to pay off obligations pending because of the preexisting foreign debt situation, to reactivate training courses, and to reestablish social assistance for the personnel, among other things."

Capital Funds

With regard to the future, the new president of the AGP said that much depends on the approval of the new port law, which will make it possible to bring private capital into the port system. "For example, there is the possibility of a major investment in the port of La Plata to resolve the problem of the breakwater, which is sinking at the rate of a foot each year," Gastaldi said. With the installation of Engineer Gastaldi as president of the enterprise, the new board of directors of the AGP was completed. Other members include Engineer Juan Ospital, attorney Eduardo Garcia Saenz, attorney Rene Troise, Dr Crisologo Larralde and Engineer Guillermo Induni.

The results achieved by rationalizing the personnel and enterprise structure include the inauguration of a voluntary retirement system, in which approximately 200 agents, or 5 percent of the total, have enrolled. An incentive for early retirement has also been introduced, and 111 agents, or 2.5 percent of the total, have enrolled. Also, the number of overtime hours to be put in by the employees has been reduced, and 18 vehicles used for the transportation of officials have been retired and sold, while 12 were added, and telephone lines have been drastically limited.

The AGP has ascribed key importance to scholarship allocations, because they would make advanced training possible for first-class vessel and port personnel.

"Agreements have already been signed with the Government Shipping Lines (ELMA) for the transfer of scholarship funds, and all that remains is for a business in the private sector to respond to our initiative," Gastaldi said. He added that "we have rationalized our expenditures, and although we cannot make major investments,

it is of basic interest to us to see a policy of decentralization and deregulation of the national government implemented. The port law will provide a major incentive for the investment of private capital in this sector, so as to expand the potential of the port system."

*** Industrial Policy Reflected in INTI**

33480019b Buenos Aires *EL NUEVO PERIODISTA* in Spanish 22 Sep 88 p 33

[Article by Carlos Abalo]

[Text] On Saturday, 3 September, a businessman casually informed the interim head of the National Institute of Industrial Technology (INTI), Enrique Martinez, that the economic leadership had decided to do without his services. On 8 September, the Secretariat of Foreign Trade and Industry (SICE), whose head is Juan Higinio Ciminari, announced the executive decree appointing Ruben Emilio Zeida as the new director of the INTI. Three days before that, the workers at the INTI had gone on strike in support of Enrique Martinez.

Martinez became under secretary for small and medium industry on 7 December 1985, under Roberto Lavagna, the secretary of domestic trade and industry at that time. On 6 July 1987, Martinez left the under secretariat, but a little more than a year earlier, on 11 June 1986, he had been put in temporary charge of the INTI, where he distinguished himself thanks to the impetus he gave the activities of that body. This made it possible to increase the wages of the workers and consolidated the atmosphere of enthusiastic cooperation already existing there. The secret is a simple one. The increase in income augmented the financing capacity. "When I took up my duties," Martinez says, "the INTI was generating 18 percent of its income, while by June of this year this figure had increased to 45 percent. In the last year, invoicing has increased 60 percent. In addition, the INTI has reduced absenteeism to 9 percent, the lowest figure anywhere in the public administration." At the end of June, 90 percent of the INTI income was coming from work done for the private sector, while only 10 percent originated in the public sector. This was one of the subjects of the polemic with the SICE.

As the head of the INTI, Enrique Martinez was an official who aired all the problems and discussed the criteria used by the economic team on at least three key subjects—national purchasing policy, the law on the transfer of technology and the regulation of public expenditures. In the opinion of the treasury technicians, the questioning of national purchasing was almost exclusively a maneuver to eliminate the surcharges, to reduce public expenditures and to strengthen the openness to trade. For this reason, the technicians would like to see an end to it. In the view of the board of directors of the INTI, on the other hand, national purchasing served to

strengthen the domestic industries. The changes made by the government did not follow the path sought by the economic secretariat, but were relegated to a semi-administrative function.

Martinez also criticizes the present law on the transfer of technology, which has been in effect since 1981. This is "because it is too permissive regarding the turnover of foreign exchange abroad, which is camouflaged as payment for technology." In the view of this former official, the new draft law can also be criticized "because it confuses the need to be restrictive with regard to the acceptance of transfer payments with the introduction of a procedure so bothersome that in the end, it will lead enterprises to enter into irregular agreements outside the law." The draft would also create a new control commission for the field dealt with by the SICE, replacing the INTI, which has been carrying out such tasks for 17 years now.

Martinez defended the need for the INTI to contribute to the rationalization of public expenditures through quality and management control. He said that the INTI provides technical control over the purchases of the National Food Program (PAN), is rationalizing the operations of the Remedios de Escalada railroad workshop, and has been awarded the consulting authority to verify the safety provisions at the Embalse nuclear plant. In its effort to include more public bodies on its list of clients, the INTI was ignored by the national sanitation projects department, which failed to define a proposal for verification of the purchases of the civil service secretariat and the National Telecommunications Enterprise (ENTEL).

It appears that some officials are blocking the actions of the INTI. "They see us solely in terms of expenditure, and some of them think that the ideal thing would be to cancel us out," Martinez stated. This resistance is particularly strong in the Ministry of Economy, and now in the SICE as well, because of the opinions set forth by Enrique Martinez. "Everything that was said came within the scope of our authority, was technical in nature and involved no disrespect for our interlocutors. Moreover, we had never known that there were official definitions other than ours. We believe that discussion of these subjects is democratic."

The removal of Martinez seems to be explained by the present industrial policy. Although there has been no explicit definition, the industrial reorganization will again focus on manufacturing based on agricultural or energy raw materials, setting aside the metal-mechanical base which characterized industrial development subsequent to the 1950's, since it requires greater domestic market dynamism. The problem of the two Juans has a basis. The actions of Martinez urged a type of industrial development which is not compatible with the strict limits included in the current economic policy.

Bolivia

Court Official Charges Postponement of Elections
PY0212024888 *La Paz PRESENCIA in Spanish*
27 Nov 88 p 7

[Excerpts] Jose Luis Paredes, president of the La Paz Departmental Electoral Court, charged yesterday that the government is applying economic pressure so the electoral courts will extend the electoral process and postpone the elections scheduled for May 1989.

Talking to journalists, Paredes said that for 2 months the Finance Ministry has not released funds to pay for electoral registrars, administrative expenses, or gasoline for the electoral courts' vehicles. [passage omitted]

Paredes charged that "the Executive Branch has proposed postponing the general elections. Let us hope that the Finance Ministry is not trying to implement that proposal by delaying the disbursement of funds." He added that the activities of the electoral courts have been at a stand still for 15 days for the lack of funds. [passage omitted]

Correction to Bank Reports on Reserves

The following correction pertains to the item headlined "Central Bank Reports on International Reserves," published in the 1 December Latin America DAILY REPORT, page 36:

Column 1, paragraph 5, only sentence, make read: \$400 million and that obligations total \$100 million. (rewording)

Brazil

President 'Worried' About Budget, Cancels Trip
PY0112230888 *Rio de Janeiro Rede Globo Television*
in Portuguese 2155 GMT 1 Dec 88

[Text] President Jose Sarney has canceled his weekend trip to Peru because he is deeply worried about the nation's 1989 budget and about the upcoming fiscal adjustment.

According to a high-level presidential adviser these two issues have been labeled urgent and extremely important for the country. The federal budget, which is being studied in Congress, is still the source of many disagreements. Because of this, the Senate and the Chamber of Deputies will probably work through Saturday.

If President Sarney were to have traveled, Deputy Ulysses Guimaraes would have to be acting president once again, and this could complicate things in Congress. The government's final proposal for the fiscal adjustment is not ready either. Thus President Sarney plans to

spend this weekend meeting with Finance Minister Mailson da Nobrega and Planning Minister Joao Batista de Abreu. The government's proposal for the fiscal adjustment must be ready on Monday morning.

Nobody at Government House in Brasilia knows when President Sarney will travel abroad again.

Sarney Returns, Discusses Regional Integration
PY0112142288 *Brasilia Radio Nacional da Amazonia*
Network in Portuguese 1000 GMT 1 Dec 88

[Passages within quotation marks recorded]

[Text] President Jose Sarney is back in Brasilia after a 3-day visit to Argentina.

During an interview in Buenos Aires yesterday, Sarney said that the Brazilian Constitution defines Latin American integration as a national goal.

Sarney asserted that the treaty signed on 29 November with President Raul Alfonsin is historical and is the cornerstone of the Latin American common market. He said:

"The root of our problem lies in the fact that our interregional trade with the entire Latin American continent amounts to only 4 percent of the Latin American GDP. We need to change this situation. We must create internal forces among our countries so that they may develop dynamic, self-sufficient, and increasingly independent economies."

President Sarney explained that the treaty has to be approved by the Argentine and Brazilian Congresses before it can be enacted.

"I do not think that the integration process today belongs exclusively to the presidents. It is national objective in Brazil as well as in Argentina. All Brazilian and Argentine social sectors have supported the process. The congressional approval is a mere formality with which we are going to comply. I call it a formality because the desire of the Brazilian people, represented by the Brazilian Congress, is that this process be consolidated, continued, and that it yield its fruit."

Referring to the foreign debt, Sarney said that the developed countries are not participating in the effort being made by the debtor countries. Sarney says that the foreign debt is not just an accounting problem because the gaps become increasingly more narrow. [sentence as heard]

He said that a solution must be found.

"This equation has a new factor: the Rio de Janeiro Group created in Punta del Este. The group is going to make a joint Latin American proposal on the debt problem."

President Sarney Decrees Hike in Minimum Wage
*PY0112113888 Brasilia Radio Nacional da Amazonia
Network in Spanish 1000 GMT 1 Dec 88*

[Summary] Upon his return from Buenos Aires yesterday, President Jose Sarney signed a decree increasing the minimum wage to 40,425 cruzados. Consequently, the minimum reference wage is now 25,595 cruzados.

Average Fuel Price Increases 23.5 Percent
*PY0112113988 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1000 GMT 1 Dec 88*

[Summary] Today fuel prices go up an average of 23.5 percent. Gasoline will now cost 286 cruzados per liter, alcohol 197 cruzados per liter, diesel oil 157 cruzados per liter, aviation kerosene 105.75 cruzados per liter, and a bottle of cooking gas 1,390 cruzados.

*** PMDB Runs Risk of Further Division**
*33420007a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 3 Nov 88 p 7*

[Report by Flamarion Mossri]

[Text] Brasilia—Brazilian Democratic Movement Party (PMDB) leaders are noting with apprehension that the worsening of the nation's crisis is already upstaging this year's municipal elections and the 1989 presidential succession. One of the legislators in the Ulysses Guimaraes scheme commented that unless the situation can be circumvented, it is not only the PMDB president's candidacy that will be at risk but also "the final phase of the transition."

According to his campaign coordinators, Guimaraes has become bogged down in a maze of problems, facing reactions from the Left and the right-of-center directed against President Sarney (with the Sao Paulo and Minas governors in the forefront). And, in the domestic area, he realizes that potential support of his candidacy from Planalto Palace will provoke another implosion in the PMDB.

Among PMDB governors, those of Sao Paulo and Rio Grande do Sul—Orestes Quercia and Pedro Simon—are seen as the most "loyal" to the Guimaraes candidacy. The one from Minas is under the yellow flag. In the opinion of the Poire Club [named for the liqueur its members consumed at their informal meetings], he still holds out hopes of being the "possible alternative candidate" of the right-of-center forces, with Mayor Janio Quadros as his potential running mate.

One of the coordinators of Ulysses Guimaraes' presidential campaign reported that Guimaraes' big concern "during this dangerous crisis atmosphere is the preservation of democratic normality."

Steam Roller

"In our conversations Dr Ulysses has said time and time again: We must support the president politically to the very end. If Sarney is mowed down, we will be mowed down along with him. If Sarney falls, we will go down with him," the same source added.

Two of Sarney's cabinet members from the moderate part of the PMDB said, but without minimizing the crisis, that the defense of the Constitution and the electoral timetable is the major concern of the president of the Republic and the administration as a whole. They acknowledge that Guimaraes' candidacy is experiencing problems and is bound to encounter difficulties, both within and outside the party, if the crisis deepens. One of them commented that society is finding out that the "miracles" promised by Guimaraes as he promulgated the new Constitution, which he plans to use as his main campaign banner, have not occurred and are not going to occur.

Another of Sarney's moderate PMDB cabinet ministers, Roberto Cardoso Alves, makes no secret of his position. He believes that if Guimaraes does not succeed in reunifying the party at January's convention when new members are selected for its national directorate and National Executive Committee, there will be another implosion of the PMDB like the one that happened with the group led by Senator Mario Covas.

Cardoso Alves thinks that the PMDB might be able to unite around a Guimaraes candidacy to succeed Sarney if a "super slate" including all the shades of opinion and adhering to the criterion of proportionality among the internal factions were put together to run for the national directorate.

As Minister Roberto Cardoso Alves sees it, if there is a fight for the directorate, the PMDB will split once and for all. The leftist factions will also break up. Some of them would support Mario Covas, others Luiz Inacio Lula da Silva, and a third group would back Leonel Brizola. "If that happens, the PMDB will become a party of the Center. I have my doubts as to whether in such a case Ulysses would be the preferred candidate of the moderate PMDB," the minister commented.

Speaking merely hypothetically, Cardoso Alves acknowledged that the moderates might opt for a Newton Cardoso-Janio Quadros slate. He recalled that some days ago the Sao Paulo mayor (his personal friend) asked him to do him a favor and study the nature of the powers of the vice president under the new Constitution.

Asked whether he would stay with Guimaraes if the president of the Republic were to support some other candidate, Cardoso Alves responded by saying, "I am a member of President Jose Sarney's cabinet."

Chile

President Pinochet Appoints 28 New Governors *PY0212010188 Santiago Domestic Service in Spanish* 2200 GMT 1 Dec 88

[Text] President Pinochet has named 28 new governors to serve in different parts of the country. A majority of them are civilians. The list includes one woman.

In the 1st Region of Tarapaca, Hector Darrigrande was named governor of Arica Province; and Reinaldo Lopez Lara, governor of Iquique Province.

In the 2d Region of Antofagasta, Gonzalo Pintos Flores was named governor of Tocopilla Province; Juan Diego Flores, governor of El Loa Province; and Jorge Mozo Dreyse, governor of Antofagasta Province.

In the 3d Region of Atacama, (Carlos Bilge Guzman) was named governor of Copiapo Province; and (Valdo Procuriasta), governor of Huasco Province.

In the 4th Region of Coquimbo, Jaime Vargas Aguirre was named governor of Limari Province.

In the 6th Region of Libertador Bernardo O'Higgins, Julio Bustamante was named governor of Cachapoal Province; and Roberto Silva Concha, governor of Colchagua Province.

In the 7th Region of Maule, Roberto Eugenio Monitas was named governor of Curico Province; Beatriz de Alvarez, governor of Talca Province; Juan Alberto Irribarren, governor of Linares Province; and Ricardo Anibal Valdes, governor of Cauquenes Province.

In the 8th Region of Bio Bio, Victor Lobos Lapera was named governor of Concepcion Province; and Gabriel Pineda del Valle, governor of Arauco Province.

In the 9th Region of Araucania, (Francisco Frata Leparte) was named governor of Malleco Province, and Sergio Pinto Agurto, governor of Cautin Province.

In the 10th Region of De los Lagos, Julio Flores Villanueva was named governor of Valdivia Province; Hans Smith, governor of Osorno Province; Mario Ernst, governor of Llanquihue Province; Ruben Barria, governor of Chilo Province; and Ricardo Soto Jerez, governor of Palena Province.

In the 11th region, Arsenio Fernandez was named governor of Cohiaque Province; Jaime Hepp Aguirre, governor of Aisen Province, (Quemel Sabe), governor of General Carrera Province; and Aluiz Hidalgo, governor of Captain Prat Province.

In the Metropolitan Region, Mario Aguilera Valenzuela was named governor of Chacabuco Province.

PDC National Council Says Impasse Overcome *PY0112135188 Santiago Domestic Service in Spanish* 0930 GMT 1 Dec 88

[Text] The National Council of the Christian Democratic Party [PDC] has, at least for the time being, decided that the internal crisis, which erupted due to charges of fraud during the recent internal elections made by the election campaigns of Gabriel Valdes and Eduardo Frei Ruiz-Tagle, has been overcome.

After a marathon 7-hour session, a unanimous agreement was reached saying that the presidential candidate will be selected by the PDC's executive board, which has not set a meeting date. It is hoped that the meeting will be held before the end of the year.

Gutemberg Martinez, the party's secretary general, outlines the basic part of the agreement.

[Begin Martinez recording] Regarding the selection of the party's candidate, it has been agreed to reiterate that the candidate will be selected by the executive board as soon as the elections that are taking place end.

Regarding the charges that have been placed before the competent internal tribunals, it has been unanimously agreed that there is complete confidence in the fact that these incidents will be rapidly end efficiently resolved in order to prevent any type of distortion or alteration of the norms and values that are the basis of our party's political activities. [end recording]

In order to fully clarify the charges that have been made by the electoral campaigns of Valdes and Frei, the party's president, Patricio Aylwin, who is the party's third candidate, has been requested to meet with the overseeing organizations to ask them to expedite the investigation and clear up all questions.

After the exhausting session, the other members of the executive board avoided the press because the Supreme Tribunal has prohibited them from commenting. Some of them, however, indicated that they were not happy.

Ricardo Hormazabal, who represents Frei, has indicated that the situation erupted due to some hotheads, but the situation will be overcome completely.

He said that they are not happy about the incidents that have occurred, which he called small matters. He noted, however, that the fact the PDC is overcoming them demonstrates that it is becoming a mature party.

Adolfo Saldivar said that there are hopes that the PDC can calmly select its candidate so that he will be accepted by the rest of the opposition.

Despite the fact that the executive board has said that the crisis has been resolved, it has been noted that the Aylwin and Frei factions have reached an agreement, thus overcoming the resistance of the Valdes backers.

*** PDC Politician Views Transition Period** *33480029c Santiago HOY in Spanish* 17 Oct 88 pp 11-13

[Interview with Christian Democratic leader Gutenberg Martinez by Alejandro Guillier; date and place not given]

[Text] His adversaries acknowledge his abilities as a negotiator. His reputation dates back many years, to his law school days at the University of Chile. He used to

win over audiences with astounding ease, and would pull aces out of his sleeve during those interminable sessions of the Student Federation of Chile (FECh).

Perhaps that is why Gutenberg Martinez is not in a hurry to negotiate with the regime. He argues that the government must be given time to measure the weight of its defeat. Moreover, he says it is a given that the presidential and congressional elections will be won by the forces that came together for the no vote. Perhaps the Christian Democratic (PDC) leader is so cool and calm because he feels that the omnipotent state apparatus, which was designed to grant all power to the current chief of state, could work miracles in the hands of the opposition.

Continued Progress

He knows, however, that in politics time is money. That is why he favors continued progress toward a government pact, a coalition, and a single opposition candidate.

That is what Gutenberg Martinez is working on now.

[Guiller] How do you assess the government's reaction to its electoral defeat?

[Martinez] The country has heard the statements of Minister Sergio Fernandez, and through him, the government's position. There is no recognition of what has happened. The government is out of touch with the new national reality, and it is desperately reacting to defend something that is about to end. It is obvious that it will no longer be viable in a few more days. This initial reaction will be followed by a more cautious one, by those who voted yes and even by the Armed Forces themselves.

[Guiller] So far the doors to dialogue remain shut tight. What key does the opposition have that will open them?

[Martinez] The situation must be allowed to ripen. The first signs can be seen in the statements by the National Renewal Party, the Independent Democratic Union (UDI), and other sectors that favored the yes vote. It is a process that must also be taking place in the institutions of national defense. We are confident in that ripening process, and in coherent reasoning. The elections for president of the republic and for the National Congress will come, and if certain agreements are not reached before then, enabling the Junta to make constitutional reforms, then the future will be difficult not only for the opposition, but for the country and for the right.

The latter conclusion is an element of analysis that is growing in the minds of many rightist leaders. In addition, there is the beginning of the electoral process, which will exert daily pressure on the regime. As a result, the negotiations will take place.

[Guiller] Who will the participants be? The Junta said that the opposition should talk with Pinochet, but the defeated general doesn't want to talk with anyone.

[Martinez] It is difficult to predict who will end up participating in this process. Ideally, it should be those who represent the 16 coordinated organizations, including the other groups that contributed to the campaign, such as the Riesco faction of the National Party and the Independents for No. On behalf of the government or the "yes" side, the spectrum is too broad. We seek negotiations with the institutions, with the Armed Forces as such, with the understanding that they are the government's underlying support base. But the conclusion is simpler than that: We are willing to negotiate with whoever is appointed for that purpose.

[Guiller] Is it imperative for the opposition that negotiations take place? Are there other options?

[Martinez] I think it is necessary for the country, so that we can undertake the constitutional reforms that will give the country an institutional framework that is clear to everyone after the presidential and congressional elections. These negotiations are a good idea not only for the opposition; they are a national requirement, and the "yes" proponents should see the need for them as well, given that they will most likely be defeated once again in the elections that follow.

The constitutional reforms are needed now so that we all can have guarantees.

[Guiller] What is the specific agenda for the negotiations?

[Martinez] The key points for the opposition are the constitutional issues: reforming the mechanism for amending the Constitution, the National Security Council, and the composition of Congress. In addition, some minor provisions that prevent social leaders from participating in politics must also be corrected, and agreements must be reached on formulas for determining the number of seats in Congress and of electoral districts, as well as the democratization of municipal government.

[Guiller] Specifically, what is your basic objection to the National Security Council?

[Martinez] We think it is very important for the Armed Forces to have a role in the future of the country. That is only realistic, and it is in keeping with the idea of modernization. But it should not translate into a military guardianship of civilian power, which is none other than the representation of the citizens' will. It is possible for that Council to remain, but it must have a different make-up, and its attributes and objectives must be altered.

[Guiller] And what about the electoral map? Why change it if, assuming a repetition of the 5 October vote, the opposition would end up with the vast majority of parliamentary seats anyway?

[Martinez] The current system of two senators and two deputies per district favors the large political groups. It is obvious that it favors the Christian Democrats a great deal. If the vote is the same as it was in the plebiscite, or, what is more likely, if those trends are enhanced, as Eric Campana has shown in a study, then the right would end up almost without representation. In that context, we feel it is necessary to have a more pluralist system of representation. That would be a better reflection of the situation in Chile, and should be translated in Parliament. Pluralism and proportionality should prevail as a matter of principle.

[Guiller] There is concern about the time periods. Few can imagine a defeated General Pinochet staying in power another 16 months. How important is the time factor in an understanding with the Armed Forces?

[Martinez] It is important to give a different perspective here. We won. The country changed. The situation is different, and we must act accordingly. We are seeing the imminent recovery of democracy, within a year at the most. During that time, the opposition must take on a number of tasks, and the time factor is not the only element, nor the most important one. It would be better for elections to be held within a given period of time, but if that is not the case, we must understand clearly that that is not the most important thing. It is a problem that can be overcome through action.

[Guiller] Simultaneously with the negotiations, the opposition has to prepare for elections. Can the 16 parties that came together for the no vote and the social organizations all agree on a single candidate?

[Martinez] Absolutely. That is what has been made clear by the 16 parties, plus the National Party (PN) and the Independents for Democracy. That is the prevailing desire, and we, in particular, feel that it would be very important for us to reach that conclusion quickly.

[Guiller] Have any official feelers been sent out? Is there a deadline for such an agreement?

[Martinez] From the moment we learned the results of the plebiscite, the matter has been on official and unofficial agendas. It seems reasonable that the matter should be resolved by the end of the second week of December.

[Guiller] How will the 16 coordinated parties and other groups that might want to join in participate in the future government?

[Martinez] We think that we must seek to bring together as many groups as possible. This means recognizing that there are differences among the various parties that will

make a government coalition unlikely. The most realistic approach might be for all parties to agree on a single candidate, with broad governability agreements that would serve as mainstays for the government headed by that future president. In addition, other parties could forge a coalition that would form a government with the candidate.

[Guiller] Different sectors of the IU [United Left] have said that before agreeing on a candidate, a national accord must be drafted to lay down the basic points of consensus. Is the PDC willing to enter into such an accord before choosing a candidate?

[Martinez] We must maintain a very flexible position. We must do everything necessary to obtain the governability agreements to ensure a stable democracy. These agreements will be able to meet the basic needs of the population and to point the way, to provide an alternative government, with a single candidate.

[Guiller] The parties, in general, recognize that the PDC has the most right to have the candidate chosen from its ranks. Is that issue being debated in the Christian Democratic Party?

[Martinez] Yes. It is being evaluated. It is something that must be discussed by the National Board on 21 and 22 October, on the basis of the basic criteria we have set forth in this regard. It is not an indispensable prerequisite that the candidate be one of ours. But a decision of that nature requires the prior agreement of all the forces that are willing to support the candidate. Moreover, we do have an agreement with five other parties.

[Guiller] There was an exchange of letters between the PDC and the National Party to form a coalition. The letters were made public.

[Martinez] Our interest has been in ensuring that that coalition grows toward the center-right and the center-left. There have been positive reactions from the National Party and what is known as the Independents for Democracy. That translated into an exchange of notes with the PN. We hope that in time there will also be a favorable decision by the center-left.

*** PCCh, Left Plan Electoral Strategy**
33480029a Santiago EL MERCURIO in Spanish
26 Oct 88 p C-4

[Text] The political groups that make up the United Left (IU) are studying various alternatives for dealing with future electoral events. All of these alternatives revolve around the common feature of registering as a party under the regulations that currently govern such matters.

This issue will be one of the first items on the agendas of the political conclaves that three parties of the IU will hold concurrently this weekend. The participants in the meetings will be the full Central Committees in the case

of the Almeyda Socialist Party (PS-Almeyda) and the Christian Left (IC), and the National Council in the case of the Democratic Socialist Radical Party (PRSD).

In addition, leftist sources told EL MERCURIO that the Central Committee of the Communist Party (PC) is also meeting at this time. It has devoted part of its deliberations to a debate on the possible tactics to use in the political-electoral future.

Among the options that are being examined by the groups in question are the individual legalization of the parties and the registration of party coalitions, such as the Cosono (PS-Almeyda, PRSD, IC, United Popular Action Movement—MAPU, and the Historic Socialist Party) the United Left (Cosono plus the PC and the Movement of the Revolutionary Left—MIR), or other combinations.

The leaders of the IU also practically ruled out the possibility that some of their parties would join the Party for Democracy (PPD), in which the PS-Nunez, the MAPU, independent parties, and some representatives of the IC are participating.

PS-Almeyda

The assistant general secretary of the PS-Almeyda, German Correa, indicated that the plenum of the Central Committee that will be held this weekend will discuss the possibility of registering the group. Other alternatives, such as legalization along with other parties of the left, will also be considered.

The leader acknowledged that the option of joining the PPD has been practically ruled out, and that it does not have significant support among the leadership or the rank and file.

Socialist Radicals

The vice president of the Democratic Socialist Radical Party, Luis Fernando Luengo, stated that his group is close to completing the registration process. It will turn in the required signatures in eight regions, and the process will be ratified by the next National Council. This implies that the possibility of legalizing the Cosono is being rejected.

"The Cosono has served its purpose, practically speaking, and we think that from now on it may become a means for coordinating the parties with socialist ideologies," said Luengo.

The leader went on to note that the PRSD believes it will make sense in the future to form a federation with other registered leftist parties in order to participate in future elections as a united front.

Christian Left

Marcel Young, member of the Political Committee of the Christian Left, reported that that group is proposing to register a leftist coalition that would replace the United Left. It would make room for independents, socialists, and communist factions that can accept its ideas and want to join.

"This could be an opportunity to launch a responsible and modern democratic left that can offer alternatives to the ruling party. We favor the ticket that represents the aspirations of the majority, one that will not simply reconstruct the United Left automatically," stated Young.

Historic PS

The general secretary of the Historic Socialist Party, Juan Gutierrez, expressed the opinion that it is important to link the idea of registering a party to the process of unifying socialism. For this reason, he stated that he favors legalizing a coalition that will include the socialist factions that do not belong to the PPD.

"We will discuss that issue at our next national plenum, which is set for 25, 26 and 27 November. But we hope all socialists agree on this matter," he emphasized.

Communist Party

Sources in the United Left told EL MERCURIO that this topic is also being analyzed by the Communist Party Central Committee, which is meeting at this time.

The PC is reportedly examining possible ways to participate in the upcoming elections, even if that means internal strife with the sectors most adamantly opposed to "the electoral route." Some alternatives the Communists are considering, say these sources, are to register with a fictitious name, or to join a leftist coalition that has been legalized. That might include the Historic PS and the Christian Left, although the Democratic Socialist Radical Party was not ruled out, either.

* United Left Leader on Dialogue, Transition

33480029b Santiago HOY in Spanish
17 Oct 88 pp 10-11

[Interview with United Left leader Anibal Palma Furcade by Alejandro Guillier; date and place not given]

[Text] In his plain office on Calle Teatinos, Anibal Palma Furcade pulls the strings of the United Left (IU), which is an umbrella organization for radicals (one sector), Almeyda socialists, communists, members of the Movement of the Revolutionary Left (MIR), and the Christian Left (IC).

He concedes that this is not an easy job. The Chilean left, he notes, has its own styles and languages that must be respected scrupulously. Despite these complexities, Palma feels comfortable at the head of this coalition. And he feels that the imminent release of socialist leader Clodomiro Almeyda (who is being held at the Capuchinos jail annex) will give the group a great boost.

He is primarily concerned about expanding the role of the left in the transition to democracy, after the electoral defeat of President Augusto Pinochet.

[Guiller] The defeated General Pinochet asserted that neither the Constitution nor the itinerary will be changed. How should the opposition deal with this hard-line position?

[Palma] That reaction was predictable. It is the way he has always reacted in crises. It amounts to a new declaration of war on the majority of Chileans. We must draw on that experience. With that policy, General Pinochet has triumphed because he has accompanied that intransigence with policies aimed at dividing and demobilizing the opposition.

We must learn to overcome those deficiencies. The unity that made possible the "no" win should be maintained and deepened so that we can regain our social mobilization and move toward an understanding. The general secretary of the Socialist Party of Uruguay said, on one occasion, that it is impossible to move toward mobilization without bearing in mind that at some point negotiations will be necessary, but it is also impossible to attempt negotiations without mobilization, because the latter provides the strength to engage in the former. The opposition must use both mechanisms.

[Guiller] Minister Sergio Fernandez rejected the notion of dialogue, armed ultra-rightist groups are taking to the streets, and in the United States Ambassador Hernan Felipe Errazuriz speaks of "violence" in the streets of Santiago. How does the IU interpret these developments?

[Palma] Minister Fernandez continues to weave political fairy tales, such as when he tries to turn the defeat into a victory. Moreover, he rejected a dialogue that no one asked him for. As for the violence, that is another way of turning one's back on reality, because the Chilean people behaved before, during, and after the plebiscite with exemplary discipline. They have not responded to a single provocation. They have proven once again that the violence is provoked by the dictatorship.

[Guiller] Certain political and social groups fear that leftist groups could succumb to provocation by the regime. Do the parties of the United Left feel capable of maintaining discipline among their followers?

[Palma] We don't need to provide proof of good conduct to anyone. We have shown considerable order and discipline, which no one can deny. The event staged by the United Left in the La Bandera neighborhood, for example, was impeccable. Carabineros and even the mayor himself had to admit that there wasn't a single incident.

But there is no shortage of voices demanding proof of good conduct. We are sick of these expressions of doubt, which merely conceal policies of exclusion. I emphasize that the left cannot cope with this kind of onslaught alone, yet the dictatorship cannot be brought down without the left. That is why we have called for a harmonization of positions.

[Guiller] You have mentioned the idea of social mobilization precipitating dialogue. How is it possible to exert that pressure without succumbing to the predictable provocations that the regime's armed sectors would naturally attempt in response?

[Palma] This should be the product of a far-reaching agreement among the entire opposition in the face of Pinochet's provocation. It has made apparent his aim to avoid any change, no matter how slight, in the institutions and in the itinerary that will make it impossible to go through a transition to democracy. Neither this country nor any other can withstand 15 months of conflict, insecurity, and fear. For this reason, we must negotiate a great accord among all the political and social sectors.

Furthermore, Pinochet is trying to show more strength than he has. One portion of the yes vote was obtained through a campaign of demagoguery and political patronage, another portion was won out of fear, and still another came from a sincere belief that voting yes would lead to democracy. But we can see, moreover, how National Renovation and even the Independent Democratic Union (UDI) have kept their distance from General Pinochet. Their base has been weakened. In fact, it is only logical that a defeated general would no longer wield the same influence.

[Guiller] What is the agenda the IU is proposing to the other political forces to achieve this great national accord? What issues will be agreed upon?

[Palma] All issues: the transition process, the mechanisms for doing away with the current institutions, the creation of legal entities that will make possible a peaceful transition, the idea of the alternative government. And the possibilities are open. We can all be in the government, or some can form the government and others the opposition.

There are precedents for a government of national unity. For example, in the first de Gaulle government, in France, after the Nazi occupation, all the forces that had been in the resistance participated. That meant everyone from the right to the socialists and communists. The

same thing happened in Italy. Or we could follow the example of Spain, where some formed a government and others remained in the opposition. Both options are available to Chile.

[Guiller] Is it possible that the unity of leadership that characterized the opposition during the plebiscite will be maintained during the transition?

[Palma] I think it must be expanded, not only to other political organizations that were not involved in the coordination of the 16 organizations, but to the social organizations as well. The parties are one facet, but not the entire picture. The coordination of the 16 should be the foundation, but it should be broadened with Acuso [I accuse], the Hales Independents, the student and worker organizations, etc.

[Guiller] What does IU propose for this period of transition?

[Palma] In very general terms, first we must maintain, strengthen, and broaden the unity of the political and social forces that made possible the triumph of the "no" vote. Then we must put together a process of social pressure that will enable us to move toward eliminating the current institutions and to create mechanisms for making the transition to democracy. We must win the right to hold free elections for president and for a National Congress with constitutional powers. For all of that we need that great national accord that will lay the groundwork for this transition process.

[Guiller] In connection with an understanding with the Armed Forces, the IU called for General Pinochet to resign. Do you really think that demand will facilitate the dialogue?

[Palma] It facilitates it to the extent that the chief of state is the one who is standing in the way of negotiations. He doesn't want to negotiate anything. But we have heard some members of the regime take more reasonable positions, recognizing that the present institutions must be reformed. Even some commanders in chief have said that. Moreover, the current legal system provides for such a resignation.

[Guiller] Being realistic, who would be the participants in a dialogue between the government and the opposition?

[Palma] It is a little presumptuous to say who should be the participants. The key is a consensus in the opposition regarding the objectives and the basic concepts that will be dealt with. Not everyone has to be on the negotiating committee, but everyone must feel represented, and must participate in drawing up the basic principles of agreement and in the alternatives to the contacts that are made. The same holds true for the government and the Armed Forces.

[Guiller] There is talk of running a single opposition candidate. Under what conditions would the IU support such a candidate?

[Palma] The IU has priorities. The top priority is the great national accord for doing away with these institutions and moving toward democracy. When we win the right to free elections, it will be time to deal with the matter of a government coalition and the candidate or candidates. We are willing to discuss all possible tickets. The ideal would be a consensus candidate, but it would not be an insurmountable obstacle to have other candidates, if there are run-off elections.

*** Post-Plebiscite Meetings, Statements Detailed**
33480025 Santiago QUE PASA in Spanish
20 Oct 88 pp 6-8

[Text] It was the first time they had come together since that fateful night of 5 October. The government Junta had not met with Pinochet for 2 weeks. They told QUE PASA that the luncheon meeting would be an important one at which the imminent Cabinet shakeup might be defined.

Pinochet might also take advantage of the opportunity to smooth over differences with Merino, Matthei and Stange because their last meeting had been tense and bitter. More and more details about what transpired there have gradually been learned.

La Moneda [the executive mansion] was confident of a victory.

But what happened when they realized it was not to be?

A Million 'Phantom' Votes

By 1900 hours, defeat was nearly certain. Officials at La Moneda tried to "put together" a computation of a million "yes" votes, knowing it would be an equivocal sign inasmuch as defeat was almost assured (Melnick so informed Pinochet). The mathematicians tried to get it together and the give and take began: Should they turn it in? Would the numbers fit?

How would the defeat be managed? What was to be done?

The debate took place on various levels. One was sustained by those in the Cabinet of Fernandez y Cardemil, but another was between Pinochet and Generals Sinclair, Valenzuela and, presumably, General Gordon.

No to the Phantom Votes

As midnight drew near, some factions insisted that figures indicating a victory of the "yes" vote be put out. The National Renewal Party [RN] found out about it. They trusted Cardemil, with whom they had maintained good relations during the campaign. They felt that he,

unlike Fernandez, would welcome them. They got in touch with Fernandez' direct advisers, advising them in no uncertain terms that the rigged figure would not go out.

Indeed, they had their reasons for doing so. If the numbers were turned in at around midnight, the scenario in the streets might be complicated, this because the idea, it is said, was that along with the publication of the figures, an appeal would be made to "yes" backers to go out into the streets to celebrate their victory. The government reportedly communicated with the "yes" headquarters in connection with that objective. Behind La Moneda the truck was ready with the portable stage to celebrate. General Zincke had also been contacted to ask him to take his troops off the streets, inasmuch as the "yes" backers would be celebrating. Zincke reportedly refused.

Security Plan

If the "yes" supporters had gone out to celebrate, then the "no's," with all the more reason and strength would have taken to the streets to defend their victory. The clash would have been such that the military would have been "forced" to intervene, and decisively, with who knows what consequences. Among these would be the possibility that the country would now be living under a state of emergency. Indeed, on the Monday preceding the plebiscite, the government Junta signed an order empowering the president to authorize a state of siege. Moreover, Pinochet, together with Sinclair, Valenzuela and Fernandez, had worked out a security plan for that day. This information was given to the military units in compartmented fashion. It envisioned three military security cordons aimed at containing any public disorder with immediate effectiveness, even guerrilla actions by the PC [Communist Party] and the FMR [Manuel Rodriguez Patriotic Front].

These cordons would only be activated if an order were issued from above. In case of conflict between "no" and "yes" groups, they would be ordered into action immediately and the city would be controlled militarily as quick as a flash.

The opposition perhaps knew this and for that very reason ordered its people to stay at home. The news may also have come via Washington because it is possible that biased information from that security cordon led the Americans to assume that the government wanted to prevent the plebiscite from being held. That is perhaps why Zincke refused to modify his security plan. He spoke with the opposition and it did not take to the streets.

Perhaps...putting two and two together.

That is perhaps the very reason why the order never came from La Moneda. It would have been too strong of a blow, with unforeseeable consequences. Moreover, one would first have to know the reaction of the other three commanding officers and have the backing of the Junta to act in that manner.

It was already past midnight. The defeat was clear. Fernandez had already informed Pinochet.

Where Is the Champagne?

In the meantime, the Junta could not get its call answered at La Moneda in order to find out precisely what was going on there. Some began to worry.

They arrived at La Moneda at 0100 hours in the morning, in uniform. Pinochet had had them summoned.

Fernandez had already turned in his resignation. Pinochet is said to have been angry, very angry, with Fernandez. He loudly claimed to have been deceived. He did not go easy on Fernandez, although he did not accept his resignation. This would have been too obvious a sign of defeat.

Pinochet approached the members of the Junta and pounded on the table. He was in uniform. He kept repeating he had been tricked. Valenzuela and Fernandez were also present at the meeting. The latter spoke first to explain the defeat.

He began by saying that the "no" vote had more support than the "yes" but that the government should feel very satisfied; that the number of votes obtained by Pinochet was impressive; that he was without question the country's leading political figure, the man who, as an individual, had the most support and that this had been very positive and impressive for 15 years.

"Where is the champagne?" General Matthei then asked.

The others did not understand his irony. "What did you say?" they asked him.

"Well, based on what Minister Fernandez said, we should all be happy and celebrating," Matthei sarcastically replied.

He then cast his irony aside and turned quite serious, telling Fernandez that he thought the explanation he had given showed a lack of respect for them and asked how he could say such a thing when they had not won. He added that plebiscites were won with a vote of 50 percent plus 1, not with excellent voting of 43 percent!

They were unrelenting.

Valenzuela suddenly grew very tired and had to be helped from the room.

Powers Denied

It was also at this point that Fernandez took out a sheet which he asked the members of the government Junta to sign. It asked the Junta to grant Pinochet special, very broad powers to take action that night and the days that followed.

The debate grew more heated. If the paper were signed, Pinochet would be able to act freely. The discussion then turned to how the defeat should be handled. Mattei insisted that the Constitution be obeyed to the letter. Nor did Stange support the granting of extraordinary powers.

It was reportedly Merino who ended the discussion with the greatest calmness and firmness. He used the familiar "tu" form of you. "Augusto," he said, "we shall adhere strictly to the constitution." In the interest of the country, the Armed Forces and Pinochet himself. That is what they had all sworn to do.

Calm was restored. The members of the Junta left the meeting without reaching any agreement.

It was 0200 hours in the morning. Cardemil went to Diego Portales to read the third set of figures, the figures expressing the defeat. Pinochet called his entire Cabinet to his offices. Some ministers were not at La Moneda and had to be told to come immediately.

Resignation of the Ministers

Pinochet entered the room where the ministers had gathered. "Gentlemen," he told them, "I want your resignations." The request was greeted with silence and consent, nothing else. The Cabinet retired to Sergio Fernandez' office. They silently embraced the head of the ministerial team and one by one filed into the offices of the Office of Undersecretary of Interior to sign the resignation on the proper form. The Cabinet resigned that night.

The following morning, some began to order desks. Pinochet met with Valenzuela and Fernandez. The latter suggested Sergio Diez as his successor, who waived his appointment that Thursday. Fernandez and the Cabinet were confirmed, temporarily, of course. At that point, one minister began to wonder if he had not thrown away more papers than necessary. That afternoon, Pinochet recorded his address to the nation pledging to respect the "no" victory, thus salvaging the honor of the Armed Forces.

Pinochet's Relaunching

Pinochet went to Bucalemu, while some in Santiago insisted on his reelection. This is how Fernandez' speech was interpreted. Insanity, some said; right on target,

according to others. The Constitution would have to be changed to allow such a thing, Mrs Lucia said. In the meantime, the man in question said he would leave office in March 1990.

On Sunday night, Jose Pinera again talked with young people on TVN. He then launched the Freedom Party [PPL].

By Monday morning, even the ministers, the secretary and the chief of the Military Club supposed it would be a quiet day for them; naturally, they thought, if Pinochet was in Bucalemu.

Secret Meeting With Officers

But it was a gross error. Without anyone knowing, while they were going to their offices, Pinochet was entering an enormous conference room of the Military School. On that Monday morning, he held the first meeting with the young officers. The meeting was secret. Pinochet was the only speaker.

At that meeting, he perhaps delivered a message to the Armed Forces, which were disconcerted and demoralized. Their fate had been at stake in the plebiscite. They felt deceived by the results. They had heard nothing from their higher officials. But they had heard about the "no" backers, who on Friday, the 7th, had "brazenly" approached the gates of the Tacna Regiment in Santiago while celebrating their victory. They were defeated, but not therefore willing to suffer humiliation. That is what the soldiers told their superior officers.

Monday Cabinet Meeting

At 1030 hours that morning, the entire Cabinet was suddenly summoned from La Moneda for a meeting which, it was said, would last 45 minutes. It lasted 15.

Pinochet was serious, in no mood for jokes. He was especially sarcastic with Buchi. It had been thought, interpreted, rumored that Buchi had resigned. Furthermore, some were beginning to blame him for the defeat, while others were saying that Buchi was resigning in order to be the successor in 1989, the candidate. An old, familiar story with some credibility. Nor does anyone doubt his ability.

It is true that Buchi had lunch with Pinochet Thursday in Bucalemu. They "settled things" and the misunderstanding of the previous Monday. Pinochet renewed his confidence in him after Buchi explained how and why he had handled the funds as he did.

Naturally, Pinochet did not return to Bucalemu without first holding two important meetings. On Tuesday morning, he saw Generals Sinclair and Zincke separately. The first is the deputy commanding officer and the man who participated actively in planning the campaign, while the second, Pinochet's confidence man, is in charge of

Santiago and the man who got along well with the opposition. More importantly, he is the man thought to be the next commander in chief. They are said to have discussed the junta of generals and this Tuesday's meeting.

He then did go to Bucalemu, where he stayed until Sunday.

Civilians

This is where the civilians went. The civilian "yes" supporters had begun the week seeing what to do with the PPL, with Pinochet's candidacy, with the defeat. Some of these civilians would be received by Pinochet on Thursday.

On Monday, Pinera contacted the National Renewal Party. The subject: the PPL. The result of the conversation: The RN believed that Pinera could be incorporated into it; they were not ready for the time being to form another party. This was the final point for Pinera's PPL.

The UDI [Independent Democratic Union] also met that Monday night. A very special guest, a high official in the regime, attended. Pinochet and his reelection were discussed. The result: The UDI put out a declaration elegantly saying "no" to Pinochet, adding that it would cooperate with his successor. Fernandez reacted and 2 days later declared: There would be no such reelection of Pinochet. That was an incorrect interpretation of his words.

On Tuesday night, the first combined meeting of the "yes" groups was held at Fernando Ochagavia's house. The National Renewal Party did not attend. It sent its elegant regrets: It had a political committee meeting at that same time. Unity looking to the presidential and parliamentary election was the topic.

On Thursday night, these same individuals (plus other representatives of the right, including Francisco Bulnes and Fernando Maturana of the RN) were the dinner guests of Sergio Diez, a man who has stayed out of rightist splits.

Diez in Bucalemu

On Friday (all day), an analysis of the post-plebiscite situation took place at the Public Studies Center (CEP). Diez was also present.

At these meetings, he asked what they thought of a political-negotiating Cabinet. There were all kinds of responses, among which one stood out: that it was not appropriate for the time being; that it would be better for the government to have an administrative Cabinet for the time being; that a Cabinet headed by a politician could lead to the danger that Pinochet would be tempted to lead and direct the naming and campaign of the next candidate of the right. That it was better to keep the government out of this.

Diez went to Bucalemu that afternoon and remained there all weekend. The subject of the change in Cabinet had come up again even more strongly. Pablo Rodriguez also went to Bucalemu.

That Monday morning, the ministers of the regime felt even more uninformed than the people in the streets.

Objectives of Cabinet Change

Depending on what happens in the weeks ahead, one could conclude what faction of the Executive Branch exerted the most influence on Pinochet's decision.

These were the following positions: A Cabinet should be formed that would absolutely not negotiate with the opposition; that on the contrary would put an immediate end to laws complementing the constitution and guaranteeing its spirit (to wit, private television, an independent Central Bank, continuing the privatizations, modifying the banking law so that private ownership would be guaranteed, and promoting the election law).

The second alternative: a transactional-negotiating Cabinet, accepting some reforms of the constitution.

Third position: making a small change now. Remove Fernandez and Poblete, but without yet replacing them with a politician. Maintaining an administrative style. The reason: The current constitutional term expires on 11 March 1989. This would indicate that there should be no change in political style until then but that from then on, a different period does in fact begin. It would be the year of "extension" of the presidential year and consequently, it would be the time when the opposition could truly make demands.

A political team that would negotiate could enter the Cabinet. (One thing does seem to be clear: The government will continue to do things and they will not permit any "campaign reversals.")

Names for the New Cabinet

There are many, as usual. Diez is the one most frequently mentioned, along with Arturo Fontaine and Hermogenes Perez de Arce. Both are mentioned as forming a team with Diez in the Office of Secretary General of Government. However, this post could also be filled by Joaquin Lavin or Alberto Cardemil. A military man could be named to Interior, possibly General Raul Benavides (formerly head of that ministry). Another speculation: That all military men would leave the Cabinet: Videla, Bruno Siebert, Manuel Concha and General Valenzuela, among others. Also Carvajal in Defense, for which post General Covarrubias (formerly deputy foreign minister) is mentioned.

There would be changes in Labor and Justice.

It was also said that Diez had asked to be a minister without portfolio in order to negotiate, but that the government would be administered through another channel.

No one knew what Pinochet truly thought.

Armed Forces

Most sources think that Pinochet will first resolve the "situation" of his Army and Armed Forces before deciding what he will do with the Cabinet. That is why yesterday's meeting with the Generals Promotions Board, Tuesday's meeting with the officers and the luncheon with the Junta were considered so important.

There was also speculation about the Armed Forces, all tending to answer the following questions: Who fell into "disgrace" with Pinochet after participating in a losing campaign? Should a major change be made at year's end and remove those participating in the campaign or would it be a sign of defeat?

Most sources believe that many high officials will resign, but that it will all come at the end of the year. It will be obvious that they are related to the plebiscite, but will then cause the least possible commotion. Sinclair's situation remains uncertain. It is said that he has recently been very close to Pinochet. However, there is also speculation that he could leave his deputy command post for the Junta. Zincke could then assume the high command.

Around the end of the year.

Reports

It all depends a great deal on what is said in the reports that Pinochet ordered last Monday, reports that are being carefully analyzed by the Office of Secretary General of the Presidency.

The Cabinet will be one that will fulfill the objective the president determines. The first signs are that freedoms will be strengthened and expanded. That is what is behind what was announced concerning freedom of expression and private television. Judging by Pinochet's first concrete action after the plebiscite, his desire of being favorably viewed by history won out over that of remaining in power. Perhaps the idea is to take steps to show that the bar used to measure him is placed very high, that for those following this regime, it will be difficult to reverse the process and, above all, that time will finally show that institutionality endured. That is what the regime wants now.

Colombia

Army Discovers Rebel Plot, Arrests Ten

PA0212040688 Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 30 Nov 88

[Report by Osvaldo Castilla, from Barranquilla]

[Text] In the last few hours, members of Military Intelligence thwarted a terrorist plot to be carried out on the Atlantic coast by the ELN [Army of National Liberation] and the FARC. The antiguerrilla operation was carried out by 2d Brigade soldiers in Barranquilla and Valledupar. Ten thousand blasting caps were seized in the first operation and 72 kg of dynamite in the second. The dynamite was to be used to blow up bridges and electric towers in various rural and urban areas. The soldiers also seized army vehicles from the subversives.

[Begin General Salcedo Lora recording] We captured approximately 10 individuals linked to subversive organizations, especially in the areas between Cienega and (Bosconia), Fundacion and (Aracataca) and areas nearby. They were turned over to the competent authorities. [end recording]

General Salcedo Lora stressed the importance of the work done by the national police, who have inflicted heavy blows on subversive organizations in several departments in this part of the country.

Government To Broadcast Television Newscast

PA0112173088 Paris AFP in Spanish 1414 GMT 29 Nov 88

[Text] Bogota, 29 Nov (AFP)—The liberal government of Colombian President Virgilio Barco will begin airing an official "good news" newscast on state television beginning 1 December.

According to an officer of the state-run National Institute of Radio and Television, the government decided to do this because it was tired of private newscasts "only broadcasting bad news."

President Barco himself has complained on several occasions that television fails to cover news of his administration and instead gives time to negative things.

Communications Minister Pedro Martin-Leyes has also said that Colombian newscasts clearly tend to report the bad things going on in the country.

The government spokesman added "that the official newscast will be dedicated exclusively to information provided by the government," adding that "there will be plenty of material."

However, in Colombian newspaper circles it was recalled that television newscasts aired by previous governments have failed "quicker than a blink."

A newspaper commentary described the new newscast as a "lemon" [ladrillo] and said that it "is a hopeless task."

*** Japanese Loan for Maritime Research Announced**
33480033c Bogota *EL TIEMPO* in Spanish
23 Oct 88 p 7-B
[Article by Jorge Correa C.: "Japan Donates \$2 Billion for Maritime Research"]

[Text] Colombia, which has over 2,900 km of coastline on the two oceans, with a usable area of 928,000 square kilometers, lacks a marine mentality.

The authorities admit it; the reality is overwhelming. The poverty of the government institutions in any way associated with the sector is Franciscan.

For lack of financial resources for the sector's total development, the country has had to resort to donations from the Japanese Government.

The powerful Asian nation, whose marine resources are becoming increasingly meager and costly, has responded generously to the Colombian appeals.

This Tuesday, a new donation is being made, in the context of the Technical Cooperation Agreement signed between the two countries and the Fishing Program devised to hasten the development of this industry on the Atlantic Coast.

For the first time, COLCIENCIAS [Colombian Science Institute], SENA [National Learning Service], and IFI [Industrial Development Institute] succeeded in pooling efforts on behalf of the program. The first entity, through the Marine Research Institute, INVEMAR, located in Santa Marta, will probe into research on the potential fishing resources and sites, based upon their abundance and distribution.

SENA, which has already received financial resources from Japan, will continue to train personnel on the advanced technical level; for this purpose it will improve the facilities and the instruction given at the Nautical Fishing Center located in Cartagena.

IFI, in turn, will continue with its effort to promote fishing activity, through Pestolu, for the processing of ocean products and the training of the local communities.

INVEMAR's main goal is research directed toward the preservation of the marine flora and fauna, as well as that of the nonrenewable resources in the Atlantic Coast northern zone sphere of influence.

Its highly specialized professionals, the vast majority of whom have taken postgraduate courses abroad, are working under conditions unsuited for serious engagement in their activity.

Nevertheless, the results that the institute has shown are esteemed on the international level. Hence, part of the next Japanese donation will consist of a ship, with its respective equipment, that will enable its personnel to expand and intensify their radius of activity.

The INVEMAR director, Hernado Sanchez Moreno, noted that, in a fishing program, not only must the ocean product be extracted, but guidelines must also be devised to preserve the species, after knowledge has been acquired of their habitat, means of reproduction, reproductive cycle, and the size of the catch.

On the other hand, the authorities think that SENA should supplement the facilities of the Nautical Fishing Center, to improve the quality of its students' training.

Graduates of the center should be capable of handling increasingly sophisticated vessels, both those used to transport cargo and those engaged in maritime fishing.

The authorities think that the organization of the communities by SENA and the information that the fisherman acquires will benefit the entire local population.

The final link in the chain is the business aspect, the industrial application of the research conducted, and the instruction received. Another government institution enters the scene: IFI, through Pestolu.

The company, with headquarters in Tolu, was founded thanks to a donation of boats and equipment given to IFI by the Japanese Government. A second contribution gave rise to the Pestolu project, to which the private sector is connected.

Among its goals, the company is seeking to develop coastal fishing in the Gulf of Morrosquillo, for which purpose it has 18 boats (10 snapper and 8 shrimp).

The mixed company has also received a steady flow of advice from Japanese experts in the operating area. The administration has been left in the hands of IFI.

Nevertheless, its operation has been hampered by a lack of maintenance for some boats, which has prevented them from operating, as well as the lack of spare parts and equipment, among other factors.

The solution? Another donation from the Japanese, which will include (besides the spare parts) vehicles, compressors, an ice plant, two boats for training personnel, and financial resources for a shipyard.

In all, the new contribution to be made by the government of Japan exceeds 2 billion pesos and its disbursement will begin during the second half of 1989.

Items Donated

The following are some of the items on which the Japanese donation will be spent:

- Training vessels
- Adjustment of facilities
- Laboratories
- Shops
- Equipment
- Operational advice
- Vehicles
- Compressors
- Ice plant
- Financial resources for a shipyard

*** Attorney General on Uraba Disturbances**
56002004z Bogota EL TIEMPO in Spanish
3 Nov 88 p 7-A

["The Solution Is Not Military, Says Serpa"]

[Text] Attorney General Horacio Serpa described the possibility of an exclusively military solution for Uraba as a serious mistake.

Summoned by the Seventh Committee of the House of Representatives, the head of the Public Ministry asserted that the real answer is an immediate government presence that would relieve the region's economy, attend to social problems and seek a political solution.

The debate, which was sponsored by Representatives Luz Amparo Patino and Jaime Enriquez, was attended by the minister of labor, Juan Martin Caicedo Ferrer, and by the president of Patriotic Union, Bernardo Jaramillo Ossa.

In his remarks the attorney general recalled that in the past he had expressed opposition to the idea of a military command in Uraba, saying that he still holds this view.

"Nevertheless, after the Supreme Court's ruling on the constitutionality of such a command, I accept it as legitimate. Aside from this, I must acknowledge the enormous efforts of General Arias Cabrales to improve the situation in the zone."

In a quick analysis of the coastal region of Antioquia, Serpa Uribe indicated that the case of Uraba is not isolated from the rest of the country. On the contrary, in his view it is the best example of the crisis that Colombia is living through in connection with its political system, the ineffectiveness of its justice system, the prevalence of negative values, the weakness of government and atrocious violence.

Moreover, he ruled out the possibility that all of the ills currently facing the Antioquia coast were caused by a strategic foreign-policy plan.

Referring to the issue of the identification card program in Uraba, the attorney general said that there are several legal reasons for halting it. In addition, he emphasized that the idea was very naive because of the absurd questions that were being asked of each individual. For example, citizens were being asked for their "nicknames and aliases," for the number of their "false identification document" and for their "distinguishing marks."

Nonetheless, Serpa felt that the workers' response to the ID card program was excessive and succeeded only in paralyzing the region for 2 weeks.

The Union Problem

Shortly before the labor minister began his remarks, Representative Luz Amparo Patino asked that Uraba be declared an economic emergency zone. The Seventh Committee backed her proposal and signed a letter in this regard to President Barco.

The congresswoman from Antioquia gave a rundown of Uraba in figures in which she illustrated the social inequalities, the lack of infrastructure, and the educational and housing shortages that it is being forced to endure. She also recalled that the promise of a road to the sea is almost 60 years old.

Supporting her, Representative Enriquez cited economic statistics to show the decline in banana production over the past year and the enormous losses of capital caused by this development.

He described the situation in Uraba as "480 years of abandonment," alluding to the scant interest that has been shown in a region in which the first city in the mainland Americas was founded: Santa Maria la Antigua del Darien.

For his part, Minister Juan Martin Caicedo Ferrer began by speaking about the paradox of Uraba, as it is the region of Colombia that has achieved the biggest growth in production and the best working conditions amid the most awful violence.

The minister felt that the sanctions imposed on Sintagro and Sintrabanano last week were necessary, explaining that the reason for the decision was the systematic, recurring work stoppages that had been taking place, not considerations of law and order.

He stated, nevertheless, that depending on how the law and order situation develops in the area, the government may begin giving some thought to restoring the legal status of the two unions.

Caicedo Ferrer acknowledged that in the past employers were guilty of many high-handed acts and abuses against the workers, noting, however, that this situation was completely surmounted several years ago.

According to him, 250 collective bargaining agreements were signed in 1987 and another 20 have been signed so far in 1988. So far not a single complaint has been filed in this connection.

[Box, p 7A] The Guerrillas Turn Terrorist

The president of Patriotic Union, Bernardo Jaramillo Ossa, feels that the sanction imposed on the two Uraba unions last week was unfair because he believes that the struggle of the workers has nothing to do with the phenomenon of violence in the zone.

Jaramillo acknowledged, however, that the guerrilla groups in Uraba have shifted from subversion to absurd acts of terrorism and vandalism that cannot be compared to acts anywhere else in the country.

The leftist leader described this terrorist escalate as one of the major obstacles to the region's achieving the social pact that it urgently needs.

The congressman felt that the shutdown of the unions has deprived them of spokesmen and he recalled that Urab has achieved its wealth through private enterprise, without the slightest government involvement.

More Self-Criticism

Senator Alberto Rojas Puyo, one of the Patriotic Union congressmen, contended yesterday that the resignation of the president of the CUT, Jorge Carrillo, ought to help prompt the left to make a series of rectifications.

Rojas said: "Jorge Carrillo's letter of resignation as president of the CUT contains very important proposals not only for the organization but also for all democratic forces. I am glad that his resignation was not accepted and I see in this development the possibility that the forces of the left will begin a serious process of reflection and necessary rectification so that their struggles are understood and taken up by the working class and the people at large.

"Some of Carrillo's proposals are, without doubt, debatable, but the indiscriminate mix of actions is unquestionably doing great damage to the country and, most of all, to the left. A clear line must be drawn in word and in deed with respect to violence. The fact that such crucial aspects for Colombia's democratic development were debated within a major labor federation shows that this class can play a guiding role for the people at large.

"The important thing is that along with the necessary reforms, the unity of the federation and its capacity for alliances and grassroots mobilization emerge strengthened."

* Editorial Views Counter guerrilla Strategy
56002004y Bogota EL TIEMPO in Spanish
4 Nov 88 p 5-A

[Commentary by D'Artagnan: "What About the Counter guerrilla War?"]

[Excerpts] Exactly 2 months ago President Barco met with the military high commands in a private gathering of great significance that did not, however, come to public light, perhaps because the chief of state brought with him a few notes, on which he based his talk, not a speech formally written for the occasion.

The chief executive attended the meeting as commander in chief of the armed forces and took the opportunity to emphasize certain things to the illustrious generals who were listening expectantly. First of all, he emphasized the fact that the military had asked for an increase in troop strength, which had been granted. It also wanted an increase in the budget for military outlays and acquisitions of weapons, prominent among which is the purchase of the famous K-Fir; this request was also granted. Moreover, the president stressed the need to consolidate the strike force that the state protects and regulates, invoking a true esprit de corps within the military to prevent potential friction and disagreement among the various chains of command and, above all, so that in practice there is a more coherent and effective working relationship among the so-called intelligence services and the troops that are supposed to enter combat against the subversives and guerrillas.

According to my sources, the generals left the meeting as pleased as Barco was, inasmuch as they took his words as encouragement, even though these words reflected a clear-cut concern that also besets the rest of us Colombians. What concerns us is why, if the administration has tried to meet the various demands of our Armed Forces to the extent it has been able, they have still not won a single battle. Quite to the contrary. In addition to still holding military personnel hostage as "prisoners of war," the guerrillas and subversives are continuing their attacks and ambushes without response, according to the recent and convincing testimony of the 11 military engineers who were slain and of at least 20 soldiers who were seriously wounded as they were crossing a bridge in the municipality of El Castillo, Meta. They were the victims of a dynamite attack that was attributed to a FARC command; nevertheless, the blame in the face of such a risk must necessarily be assigned to some superior officer who, without foreseeing the consequences, gave the countermanding order to load the unarmed engineers and soldiers into a dump truck.

Perhaps never before has there been a state of anxiety among the civilian population like the one that has paralyzed it today, especially in certain rural areas, in view of the manifest fragility of troops who, as the common saying goes, "can't win even one." Why? An illustrious and highly regarded general who was an active

member of the Military Junta that constituted the transition government in 1957 and 1958 explained to me that a regular army would never be able to defeat guerrilla cells because they stage their violent raids by surprise, never head on; therefore, to confront them militarily and achieve the expected operational results, genuine, properly trained counter guerrilla troops would have to be developed without subjecting the military as a whole to the severe erosion of its image that only arouses disappointment and skepticism among the various active segments of our society.

A few days ago I had the opportunity to attend the commemoration of the 35th anniversary of the DAS [Administrative Department of Security] and, like the rest of the audience, I was pleasantly surprised by the advanced technology of its academic facilities in the area of detective work and criminology. This explains its almost always accurate blows and positive results in the field. The efforts of DAS, led by General Miguel Maza Marquez, are thus not limited, as many think, to the simple function of providing bodyguards; rather, it also diligently handles other fronts to combat organized crime with some success. If this sort of police work is yielding encouraging results (although obviously not all that one would like, while at times going too far), I ask whether the time has not come to officially organize, by taking prompt, extraordinary measures under the anti-terrorist statute, counter guerrilla groups regulated by the military. Such groups would not only vitiate the *raison d'être* of the paramilitary groups of the extreme right but would also help to fully apply, through true counterinsurgency action, the official principle of an extended yet firm hand. An extended hand alone is of no use, nor is a firm hand (a weak one is even worse) without political mediation. [Passage omitted]

*** Details of Caqueta Ambush Provided**
56002006z Bogota EL TIEMPO in Spanish
5 Oct 88 p 8-A

[Text] Before boarding the FAC-1658 DC-3 on Sunday evening, the most sorrowful face that could be seen was that of 2d Lieutenant Diego Botero Alvarez. He was exhausted, wounded, and faced the possibility of losing a leg.

But the companions who helped him board the plane did not look at him with compassion or pity. One of them said, "It might be hard to say it, but he is the one responsible for the ambush. He is the one who ordered the troops to board the bus that led to slaughter."

Several hours later, the words of the soldier seemed to echo throughout the country, reaching the highest military commanders and even the president of the republic, who commented that the attack "was due to serious military error."

Meanwhile, the second lieutenant, who is of peasant origin and not yet 24 years old, prayed fervently in a room at the Bogota Military Hospital. He spends all day praying for the future.

However, he will never forget the past. Above all else, the recent past which began less than four months ago when the Army launched an unprecedented offensive with one objective: To recapture the Caguan region in Caqueta, until then called the "independent republic of the FARC."

Psychological Battles

Before May, this guerrilla movement ruled in the region with no difficulty. But, the Army decided to force the insurgents out.

The rebels hid in the jungle and many believed that they had permanently moved to another department.

The Army built crude military bases in the towns where they quartered many soldiers. But in towns like Torremolinos, where the standard greeting was "Good morning, comrade," the voice of the revolution disappeared slowly.

However, the guerrillas had not gone away. Their men had hidden in the jungle where the Army has still not penetrated.

Because of this, the soldiers had to spend long periods of time in the area without ceding an inch. And the guerrillas would not give in either. Every day they would send messages to the Army as part of an intense psychological war.

Boats, a kind of river bus, carry people along the two main communication routes of the area, the Guayas and Caguan Rivers. The guerrillas would stop the boats and paint such slogans on them as, "If you were real men, you'd come find us," and "Come up here if you're really men."

When they weren't painting boats, they would send letters or verbal messages with the peasants. The soldiers, however, stood up under this pressure.

"The majority of soldiers that were in the ambush were there during this period," a military spokesman told EL TIEMPO. He stated that upon leaving the area, they must have been exhausted, fatigued, because although they had not had any armed conflicts during this time, the psychological harassment was enormous.

"So that the soldiers only wanted to rejoin their battalion before anything else. Fatigue killed them."

A Ticket to Death

In effect, their intense fatigue explains the fact that the soldiers decided to board two buses on the Cartagena del Chaira-Paujil road to travel to the Heroes of Guepi Battalion.

Moreover, all had an incentive for speeding up the march: "After staying in that area for three months, they would go on leave upon rejoining their battalion," confirmed the military spokesman.

There are two versions which detail the moment when the conterguerrilla unit boarded the buses: According to one, it was the second lieutenant's decision to stop the buses and ask for a ride.

Another reports that the drivers and passengers of the buses, upon seeing the tired faces of the soldiers, told them to get in. "As far as we're concerned, there's no problem. Don't worry about it."

However, no one knew about the rebels at the ambush site. Deep down, everyone knows that guerrillas are always there, especially on this road where only one month before a mine was deactivated by the Army.

There are several explanations for the guerrilla presence at the site (24th kilometer). A witness states that by chance the FARC had a military roadblock there. Each vehicle that came through was stopped and its passengers were given an intense political "talk."

This, according to the witness who lives in Paujil, was what set off the attack: "The guerrillas must have found out about the two buses and decided to mount a spur-of-the-moment operation. And I don't know if the guerrillas knew that there were civilians aboard."

How did the guerrillas at the roadblock find out about the vehicles carrying the soldiers? Perhaps through a motorcyclist, which is the common means of transportation in this area. Or through radios.

"Or by the peasants themselves, because they collaborate with the guerrillas either through fear or conviction," according to the governor, General Eddie Alberto Pallares Cotes.

Some soldiers say that the operation was led by a woman, tall, dark, and stocky.

However, General Pallares has no doubts about the person who commanded the attack: Patriotic Union Congressional Representative Ivan Marquez.

Congressman Ivan Marquez Led the Massacre

Patriotic Union Congressional Representative Ivan Marquez led the ambush by the 15th FARC front against soldiers from the Heroes of Guepi Battalion.

This was revealed by the military governor of Caqueta, General Eddie Alberto Pallares Cotes.

Marquez, who left his duties as congressman several months ago to rejoin the guerrilla forces who had elected him, uses the alias of Luciano Marin.

Other military personnel of Caqueta agree with Pallares's statement.

*** Urban Reform Package Approved in Congress**

33480033b Bogota EL TIEMPO in Spanish
27 Oct 88 pp 1-A, 7-C

[Article by Gloria Vallejo: "Urban Reform Bill Entirely Approved"]

[Text] The 102 articles comprising the urban reform bill were approved in their entirety by the Senate and Chamber joint third commissions.

Yesterday, a heated debate began regarding the additional chapter on financing for the proposal.

During 10 weeks of constant, exhausting sessions, the Liberal, Social Conservative, and Patriotic Union congress members analyzed, debated, polished, and finally approved the 102 articles of the reform bill.

The proposal, consisting of nine chapters, is a compendium of regulations aimed at organizing the country's urban development and putting an end to the illegal use of urban land.

It requires municipalities to have a development plan, either total or partial, and provides speedy, effective means for the purchase of assets through voluntary transfer and through expropriation with compensation from the state.

It also includes, for the first time in the nation's history, a protection for public space. The bill clearly defines it, stipulating that changes may be made only by the metropolitan councils and boards, or by the mayors, provided that the exchange is for another which is comparable.

Parks and green zones with the status of assets for public use, as well as roadways, may not be closed off so as to deprive the citizens of their use, pleasure, visual enjoyment, and free transit.

It defines housing of social interest, concerning which it specifies a group of benefits for low-income sectors, while assigning to the state a list of responsibilities related to this type of solution. For example, it creates the obligation incumbent on public service enterprises to meet their demand with a connection for the housing located in such areas.

It solves the problem of the substandard nature of informal settlements, calling for the turnover of titles to the occupants of such premises. To prevent the proliferation of invasions, it issues precise regulations concerning them.

It punishes pirate urban developers with drastic measures, such as expropriation without compensation; those expanding plots of land, with cancellation of ownership; and people who violate the urban development and construction standards, with fines of up to 5 million pesos, in the form of monthly minimum wages.

Now the Money

With the regulatory portion approved, yesterday the discussion began on the financing of the reform. Thus far there has been no agreement on the financial instruments that will accompany the execution of the proposal.

Whereas the government, together with the proposers and some from the Liberal group, is inclined toward a tax on urban increased value (greater value of the properties in exchange for use, heightening, and expansion of the perimeter), toward withdrawal of the VAT exemption benefiting cement, toward urban reform notes, and toward municipal public debt bonds, the Social Conservatives reject the levying of new taxes.

Despite the fact that rapprochement has occurred during the past few days, nothing has yet been decided regarding this thorny issue.

Without consensus achieved in this respect yesterday, the chairmen of the Senate and Chamber third commissions, Hector Quintero Arredondo and Ancizar Lopez Lopez, summoned the congress members for next Tuesday, at 1100 hours, for a session at which they will seek a possible political deal concerning the financing of the reform. The only thing on which there is the beginning of an agreement is the municipal public debt bonds, with which the municipality will be able to pay for part of the property expropriation.

*** Agricultural-Livestock Credit To Be Expanded**
33480033a Bogota EL ESPECTADOR in Spanish
22 Oct 88 p 8-A

[Article by Myriam Astrid Montoya: "300 Billion for Agricultural-Livestock Credit"]

[Text] Cali—Yesterday, in this city, the minister of agriculture, Gabriel Rosas Vega, confirmed that on Tuesday or Wednesday of next week he will submit to the Congress of the Republic the bill to restructure agricultural-livestock credit.

He announced that the new national system, to be established with all of the sector's financial entities, will initially administer about 300 billion pesos.

That system will be subordinate to what he termed "a kind of monetary board" for the rural sector's credit, under the direction of the Agriculture Ministry.

The official confirmed that the fundamental goal of the proposal is to make the financing of this productive area independent of "the vicissitudes and incidental circumstances of monetary policy."

He explained that this does not mean a departure from the general framework of paying attention to the currency, "because we cannot start playing with it, but we can devise a plan of action that will coordinate the entire management of agricultural-livestock credit, which is currently operating in a dispersed manner."

As EL ESPECTADOR reported yesterday, the bill calls for the establishment of an Agricultural-Livestock Credit Board, which will be the agency responsible for guiding and planning, complemented by the national system as an executing entity, and a financial fund called FINAGRO, which will replace the present FFAP [Agricultural-Livestock Financing Fund].

Not To Be Excited

Rosas Vega made these statements during the course of ASOCANA's [Association of Colombian Sugar Cane Growers] 28th Annual Assembly, at which he warned the association of the growing distortions on the international sugar market, "which are making the status of exports increasingly unclear."

He explained that the spread of sugar beet cultivation in Europe, accompanied by major protectionist barriers and high subsidies for foreign sales, and the prerogatives favoring the Common Market's former colonies, have generated an oversupply, and caused world prices for the product to plummet.

He gave a reminder that, at the beginning of the decade, a pound was marketed for \$0.35, whereas, last August, it stood at only \$0.04. He added that, although there has been a recovery during recent weeks, the long-term tendency is clearly in a downward direction, and producers should not become excited "about the incidental moderate increments."

Total Support From ASOCANA

What the agriculture minister, Gabriel Rosas Vega, will be able to achieve with the announced bill was described by the president of ASOCANA, Ricardo Villaveces Pardo, as "a great achievement"; it will make agricultural-livestock credit independent of the Monetary Board, and lend it a unified framework, under the direction of that government ministry.

In his remarks during the association's annual assembly held in this city yesterday, the executive emphasized that, "the current structure has proven to be disjointed,

inoperative, managed without uniform criteria and, in the end, decided not by those responsible for agricultural-livestock policy, but rather by those dealing with the monetary issue on the macroeconomic level."

He added: "In the long run, these officials make the essential decisions in the area of agricultural-livestock credit, and they are the ones who have ultimately been systematically dismantling the credit for agricultural development."

He noted that "the system's unsuitability" is reflected in the sugar sector, particularly that of the refineries; he said that, since the infrastructural, adjustment, and equipment projects have to be financed, the costs are high, and hence the regulations in effect require that loans be approved by the Bank of the Republic's board of directors.

In other words, "A forum in which issues of a macroeconomic nature should be debated, ends up considering individual cases and often expressing opinions inconsistent with a sectorial policy that has been decided upon in a different area."

The bill is currently being reviewed and adjusted, with the cooperation of the finance minister, Luis Fernando Alarcon Matilla, and it is expected to be submitted to the Congress of the Republic for consideration next week.

The ASOCANA president expressed the view that, with the proposal, "The present administration has a good opportunity to make the criteria uniform, to set priorities, to determine decisionmaking levels, and to adapt concepts for the management of a sector which, like the financial one, has become complex."

He concluded his discussion of this topic by commenting: "Rather than major changes, adjustments based on common sense and a precise demarcation of authority and functions are required"; he admitting that "it is obvious that the overall parameters (for agricultural-livestock credit) will have to be included in the context of the monetary policy that is being executed."

Institutional Reinforcement

Moreover, the executive maintained that Rosas Vega's plan for restructuring and modernizing the Ministry of Agriculture will also be of the utmost importance.

In this regard, he said that one of the sector's great weaknesses is the obsolescence of its institutions, "which have become outdated and bureaucratized, turning into begging entities, with a very unstable technical capacity and an inequitable distribution of functions."

Ecuador

Sentences of Febres-Cordero Abductors Commuted *PA0112014088 Paris AFP in Spanish 0113 GMT* 1 Dec 88

[Text] Quito, 30 Nov (AFP)—Ecuadoran President Rodrigo Borja Cevallos has commuted the sentences of the 39 paratroopers and Air Force technicians who abducted former President Leon Febres-Cordero in January 1987. The sentences were commuted in an executive decree signed tonight in Quito.

Applying the pardon law, 34 of the participants in the abduction will be released tomorrow, and the remaining five will be released before the Christmas festivities.

Peru

U.S. Mayor's Wife Killed in Cusco Derailment *PY0212124188 Madrid EFE in Spanish 0236 GMT* 2 Dec 88

[Text] Cusco, 1 Dec (EFE)—The wives of the mayors of Jersey City (New Jersey, U.S.A.) and of the Peruvian city of Cusco died today near Cusco. The two women died when a railcar in which they were riding was derailed and fell over a cliff. Police sources said the railroad was sabotaged by presumed terrorists.

Jersey Mayor Anthony Cuzzi sustained blows to the head and shoulders and his wife Anna died. The two were on an official visit to Cusco to declare Jersey City and Cusco sister cities at a ceremony slated for tomorrow, 2 December.

Doris Mayorga, wife of Cusco Mayor Carlos Chacon, also died. Her husband was seriously injured in his spine.

The two mayors and their wives were in the railcar with six other people: Jersey Councilman Jaime Vasquez, three Republican Guards, a tourist guide, and the driver. These people were also injured.

The accident occurred at a very winding segment of the railroad leading to Macchu Picchu, 10 km away from Cusco. The derailment was caused by an iron plate that had been placed on the rails.

The police raised the possibility of sabotage by members of the Shining Path armed organization.

The only other attack ever perpetrated against foreigners occurred in July 1986 when Shining Path members dynamited a railcar taking tourists to Macchu Picchu. The attack claimed the lives of seven people, among whom were a Spaniard, a Brazilian, an American, and a German.

Labor Minister Addresses Striking Workers
PY0112151588 Lima Domestic Service in Spanish
1030 GMT 1 Dec 88

[Text] Labor Minister Orestes Rodriguez Campos has urged Peruvian workers to meditate on the hard times the country is going through, and to continue working.

[Begin Rodrigues recording] I must call on the labor unions and workers to meditate on the hard times the country is going through. We must work more now because we are facing a serious crisis. If strikes could solve our economic problems and reduce inflation, we would accept them. Strikes, however, are not the answers to our problems; they simply delay and hinder the country's economic reactivation and deprive the workers of their salaries. I realize that the people have a right to protest the economic measures the government has had to adopt. I understand that the people have a right to protest. The people, however, must realize that the country is experiencing a very serious economic crisis and must help overcome this crisis by working more and contributing with their work and their willpower to overcome it. Only then will the people show their solidarity in overcoming it. A strike not only affects those who have jobs but those who, although jobless, are also members of the Peruvian nation. [end recording]

Police Arrest 130 Students, Miners After Clash
PY0112115088 Lima Television Peruana in Spanish
0100 GMT 1 Dec 88

[Excerpt] Regarding the disturbances at the San Marcos University campus, Interior Minister Juan Soria Diaz said that his ministry's mission is to maintain public order. He said the police acted accordingly when stopping street demonstrations near the university campus.

As a result of the clash, 14 policemen were wounded and about 130 students and miners were arrested.

[Begin recording] [Reporter] About 130 students, miners, and textile workers were arrested at the San Marcos University campus. They were taken to the prefecture for interrogation. The police intervened to prevent students and miners from carrying out a street demonstration without a permit from the prefecture.

On the campus, police confiscated subversive propaganda, dynamite, and materials used in making Molotov cocktails.

Later that night the commission in charge of reorganizing the private San Martin de Porres University, which is headed by Jose Barsallo Burga, was able to enter the offices of the rector and deputy rector with police support and a court order. The police intervention was conducted peacefully and there were no incidents. [passage omitted] [end recording]

Government Declares General Strike 'Illegal'
PY0112133388 Madrid EFE in Spanish 0123 GMT
1 Dec 88

[Text] Lima, 30 Nov (EFE)—Peruvian labor authorities today declared as "illegal" the fifth "general strike" of the year against Alan Garcia's government that has been called for tomorrow, Thursday, by the communist labor central, which is the country's most important labor group.

The Labor Ministry said that the strike "is not strictly a labor issue," in other words, that it has a "political tint." The ministry, therefore, has declared the strike inappropriate.

A spokesman for the General Confederation of Peruvian Workers (CGTP), which called the strike, told EFE that the 24-hour strike will be carried out "regardless." He denied that the strike has the political connotations the government claims.

Interior Minister Admiral Juan Soria Diaz has stated that Lima has been under emergency measures for 2 years now due to terrorist activities and, as a consequence, individual guarantees have been suspended and street marches and demonstrations have been banned.

CGTP Secretary Raul Velazquez has stated that the government has always declared the organization's strikes illegal and that tomorrow's strike, as with the other six called against the government, is being held to "defend salaries and the living conditions of the workers."

According to Velazquez, the Peruvian workers have been driven "to a most terrible situation" due to the economic measures that the government implemented last week, which included a 100-percent price hike in contrast to a 40-percent salary hike.

According to Peruvian research institutes, Peruvians have lost approximately 70 percent of their purchasing power during the current year due to measures the Peruvian Government has implemented to overcome the acute economic crisis.

Mines and Energy Minister Jose Carrasco Tavora has stated that the miners strike "is being manipulated" by the clandestine Maoist Shining Path organization.

Yesterday police arrested 400 miners in the most serious incident since the strike began 50 days ago. The miners were placed at the disposal of the Terrorism Directorate (DIRCOTE), alleging that they had explosives and Shining Path subversive propaganda on them.

18 Arrested Rioters Reportedly Terrorists
PY0112150788 Lima Domestic Service in Spanish
1030 GMT 1 Dec 88

[Text] The Seventh Regional Under Directorate of the Civil Guard has reported that 18 of the 400 [as heard] people detained in operations carried out at the San Marcos University have been taken to the Antiterrorist Directorate because they were carrying explosives and subversive propaganda.

'Terrorists' Burn State-Owned Company Bus
PY0112182188 Buenos Aires DYN in Spanish
1440 GMT 1 Dec 88

[Text] Lima, 1 Dec (AFP)—Police sources have reported that at the beginning of the 24-hour strike being staged in Peru to protest the government economic policy, an armed terrorist commando this morning set fire to a state-owned company bus.

Riots broke out at textile sector plants, and attempts to block roads were stopped by the forces of order. No victims have been reported.

Transportation is almost nonexistent and school was suspended by the government. The strike, which was called by the General Confederation of Peruvian Workers (CGTP), a union connected to the Communist Party, has been declared illegal by the government.

Police Arrest Traffickers, Destroy Laboratory
PY0112144488 Madrid EFE in Spanish 0712 GMT
1 Dec 88

[Text] Lima, 30 Nov (EFE)—It was disclosed today that the Peruvian police destroyed a clandestine laboratory for producing drugs, seized approximately 10 kg of cocaine base paste, and arrested three drug traffickers during an operation carried out in the San Martin Department.

The operation, in which more than 50 members of the civil guard took part, took place on Tuesday, 29 November, in Cruz Pampa, some 100 km from Uchiza. This region is regarded as the drug trafficking "red zone," according to information disclosed today by the Civil Guard leadership in Lima.

The three arrested are Peruvian citizens. In addition to the drugs, the civil guards seized 2 hand grenades, about 2,000 bullets, machinegun clips, 2 motorcycles, and radio equipment.

The operation was carried out with the support of two helicopters that transported policemen to the laboratories.

Antinarcotics Police Seize 100 Tons Cocaine Base
PY0212025688 Madrid EFE in Spanish 0224 GMT
1 Dec 88

[Text] Lima, 1 Dec (EFE)—Antinarcotics police of the Peruvian Civil Guard have seized 100 tons of cocaine base and have arrested 10 Colombian and 48 Peruvian drug traffickers in the Rio Guallaga Valley, in the northern Peruvian jungle area.

During the "Operation Condor VII," which is being carried out in Huanuco Department—a zone of intensive drug trafficking activities in the northern Peruvian jungle area—the police also seized coca leaves ready for maceration, chemicals used for this purpose, fuel, weapons, and vehicles.

Today, Antinarcotics Police sources reported that a Colombian drug trafficker, identified only by his nickname of "El Solitario," was captured during the operation.

The police found 47 clandestine laboratories for processing the drug, some of them destroyed and some being built. Ten clandestine airports for the operation of small Colombian planes, which transport an average of one-half a ton of drugs per trip, were destroyed by the police. They also seized \$55,000 in currency and 23 rifles, shotguns, pistols, revolvers, and grenades.

The Antinarcotics Police operate four helicopters made available by the U.S. Drug Enforcement Agency, in its program for elimination of coca plantations in the zone of Huallaga, which encompasses the Northern departments of Huanuco and San Martin in the La Selva Region.

Former IPEN Nuclear Official on New Reactor
PY0112015688 Lima Television Peruana in Spanish
1800 GMT 30 Nov 88

[Interview with former Institute of Nuclear Energy President Victor Latorre Aguilar by television anchorman Jimmy Arce in Lima on 30 November—live or recorded]

[Text] [Arce] Former IPEN [Peruvian Institute of Nuclear Energy] President Victor Latorre Aguilar is here with us. We will talk with him about the 19 December inauguration of the Huarangal Nuclear Research Center. Good afternoon, Dr Latorre.

[Latorre] Good afternoon.

[Arce] What is the meaning, or importance, of the Huarangal Nuclear Research Center?

[Latorre] It is the first nuclear research center and the first radioisotope production plant built in Peru. The reactor is also the most advanced in Latin America. It is the most powerful in the region, producing 10 megavolts. The radioisotope plant is the largest of its kind in Latin America.

[Arce] The reactor will produce radioisotopes. The radioisotopes can be used in medicine, mining, health care, and can also be exported. How will Peru use them?

[Latorre] In the medical field, radioisotopes are already benefitting a large part of the population. They are used for the diagnosis and treatment of some diseases. Radioisotopes can be introduced into body organs and then watched with special detectors for alterations in the organ functions. In this way they help us understand what causes the disease.

[Arce] Their use is also important for agriculture?

[Latorre] That is correct. Radioisotopes help in various ways. For instance, they allow us to follow underground currents and thereby make better use of underground water.

[Arce] The Huarangal project has Argentine financial and technical participation. Can you give us some details?

[Latorre] The Argentine Government has not only helped finance the project, but it has also given Peruvian technicians a chance to participate in the design and construction of the reactor. This means a transfer of Argentine technological knowledge to Peru.

[Arce] What is the amount of the Argentine financial contribution?

[Latorre] The total amount is about \$100 million over a 10-year period.

[Arce] You have said the reactor will produce 10 megavolts. How do we compare with other countries of the region in nuclear research?

[Latorre] Argentina has a 6-megavolt reactor; Chile has a 3-megavolt reactor and a 10-megavolt reactor; Brazil has several reactors smaller than 5-megavolts; Colombia...

[Arce interrupting] Excuse me, here we have some shots of the Huarangal plant.

[Latorre] That is a deck built over the reactor; we can also see a hot chamber near the mouth of the reactor tank. The mouth of the reactor tank can also be seen near the yellow bridge.

[Arce] The reactor is an open-mouth type. Can you explain this?

[Latorre] This means that the plant is essentially like a tank with an open top. The reactor itself is inside a larger and closed chamber.

[Arce] Here we see another shot.

[Latorre] Here we see the inside of the tank. The shot was taken from the upper edge. You can see here the control bars that reach the nucleus of the reactor. The nucleus is in the lower-middle half. What we see as blue is the water in the tank. We can also see detectors in various parts of the tank to gauge the flow of neutrons.

[Arce] Has the reactor already reached the critical point?

[Latorre] Not yet. The nucleus is currently being charged to reach 500 volts at the time of the inauguration.

[Arce] When will it reach its maximum power?

[Latorre] In a few months. This does not mean it cannot be used now.

[Arce] What are we seeing now, Dr Latorre?

[Latorre] Here we can see the back side of the hot cells that are used to manipulate the radioisotopes.

[Arce] How much does the country save with this plant? I understand we are no longer going to import radioisotopes; we might even export them.

[Latorre] Some hundreds of thousands of dollars.

[Arce] How much, more or less?

[Latorre] Some \$100,000 a year.

[Arce] President Alfonsín has said he will participate in the inauguration of the plant on 19 December.

[Latorre] That is correct. This project is very important because it represents very meaningful Argentine-Peruvian cooperation. This has never occurred before.

[Arce] What can you tell us about this shot?

[Latorre] This shot is of the radioisotope plant hot cells. They are called hot because the levels of radioactivity there are very high. Each cell has a special armor to protect the operators. The glass of the circular windows allows us to see what is being done inside. Everything there is done by remote controlled arms so as to protect the operator.

[Arce] The heart of the reactor is uranium.

[Latorre] That is correct. The uranium is part of the reactor nucleus. It is the fuel. It produces the energy.

[Arce] Has the uranium been imported or produced locally?

[Latorre] Even though we have uranium mines, we are not exploiting them. The uranium of the reactor has been purchased abroad. The elements have been manufactured in the FRG.

[Arce] Is the plant complete? What are we going to inaugurate?

[Latorre] The reactor building, the Radioisotopes Production Plant, and the National Center of Radiation Protection. The rest, that is, the Food and Disposable Medical Products Irradiation Plant, and infrastructures such as the sleeping and dining areas are yet to be built.

[Arce] What about this shot?

[Latorre] Here we can see the upper section of the vault that covers the reactor. That is the crane that was used to put the tank in its correct position. Below it is the vertical reactor tank and under it is the nucleus. The area filled with bars and pipes is where the uranium is; that is the heart of the reactor.

[Arce] Besides the IPEN, what other companies participated in this project?

[Latorre] The Argentine National Commission for Nuclear Energy has been the main contractor, but several other Argentine and Peruvian companies have been subcontracted to build parts of the project.

[Arce] about Senami? [Expansion unknown]

[Latorre] No. Senami has conducted the environmental research studies that were used to select the site of the plant, and it will participate in the studies of the effect of the reactor on the environment.

[Arce] It has been said that students that studied abroad have stayed abroad because the pay here was too low.

[Latorre] That is correct. Many of them have stayed abroad. Another reason is that the construction of the plant was delayed for too long.

[Arce] Now our technicians will be able to get their training here.

[Latorre] Of course. This plant is something we did not have before.

[Arce] I thank you Dr. Latorre.

[Latorre] Thank you for the opportunity to explain this project to your public.

*** SNI Reports Nationwide Factory Closings**
33480026c Lima EL NACIONAL in Spanish
16 Oct 88 p 2

[Text] The measures contained in the latest "package" have caused over 70 percent of the factories existing in Peru to bring their work to a standstill within a period of a month and a half, according to a report yesterday by the president of the National Association of Industries [SNI], Ernesto Lanatta, who demanded that the government "clean up the national economy once and for all."

The top-ranking representative of business owners and industrialists claimed that there is a danger that this percentage may increase substantially; not only that, but the work stoppage may be compounded by the total shutdown of factories for lack of facilities with which to produce.

He explained: "With so many taxes, especially those levied selectively on certain products, we industrialists find ourselves forced to adopt drastic measures, such as work stoppage or complete shutdown of factories."

Lanatta, who yesterday celebrated the birthday of his company, the Pilsen brewery, warned that, if the situation continues in this way, many business firms will be forced to stop paying certain taxes in order to survive.

He noted that, aside from that measure, business owners have already made drastic decisions, for example, advancing their workers' vacations, shortening the work-week, or urging resignations through negotiation. The well-known industrialist proposed to the government that, in order to avoid all these things that only cause social unrest, which is being heightened by the wave of layoffs occurring, it should adopt measures supplementing the "package." He suggested that what the government should do, primarily, is ultimately straighten up our economy once and for all, not doing things halfway, as has been the case up until now.

In discussing his own situation, Lanatta remarked that, by the end of the year, his company will have lost about 15 million intis as a result of the decline in demand and the work stoppage in certain areas involving the brewery plants.

Nevertheless, the SNI president called upon all Peruvians to work together at this time of crisis, reaching agreement on criteria to solve the problems besetting us.

He emphasized: "If we do so, let them be based on a realistic and practical foundation, and not by developing technical prescriptions based on theory learned at the University of Paris."

*** PUM Deputy on IU Future, Barrantes Candidacy**
33480026a Lima EL NACIONAL in Spanish
15 Oct 88 pp 14-15

[Interview with Cucho Haya de la Torre by Gerardo Torres: "PUM To Vote for Barrantes"; date and place not given]

[Text] A major political demarcation is occurring within the United Left [IU], the leading opposition force. The ideological debate is arousing passions as the convening of its first congress, set for this December, approaches. It is not only analysts who are viewing with concern the turbulence of the waters in the leftist conglomerate. The country, amid this shock of crisis, hopes that the ideological confrontation will achieve concrete goals and fulfill the people's aspirations. In this interview, Deputy Agustin Haya de la Torre, leader of the Mariateguist Unified Party [PUM], described as a prominent "fox" confronting the warmongering "Libyans," offers a series of reflections and proposals concerning IU's future. The dialogue follows.

[Torres] The "foxes" who left PUM expected Agustin Haya de la Torre to accompany them, in view of the position adopted by the members of the congress last July. What happened?

[Haya de la Torre] We admit that there are differences among PUM's members but, at the same time, I maintain that, just as it is legitimate to postulate positions, it is also legitimate to accept being in the minority. I do not share positions favoring a split; all the more so when I realize that there are internal channels for debate open in the party, and consider the fact that we have succeeded in promoting a political conference in order to continue debating planks that we regard as insufficient and incorrect, approved by a sector of the party at the July congress. Therefore, I still don't understand the attitude of a group of comrades, led by Deputy Carlos Tapia, who have left the party, when it makes no sense to split the leftist forces at present.

[Torres] They have claimed that they will continue to work within the United Left and to make the front an alternative for power.

[Haya de la Torre] As it has been summarized, the statement is fine, but I don't understand why they left the party, unless they have internal motives which they haven't mentioned. In my opinion, it doesn't make much sense to leave an established political party to become an informal political force.

[Torres] Some leaders of your party have called them "Barrantists." Do you agree with this assessment?

[Haya de la Torre] To tell the truth, several comrades who signed the document with Carlos Tapia were not in the party; they had already resigned several months earlier, and are collaborating with the Alfonso Barrantes

movement. In this respect, I have the impression that the line that this group of comrades will follow is that of reinforcing this type of connection.

Lengthy Debate

[Torres] The fact that more forces are yielding to the image of Dr Barrantes has caused irritation in PUM, hasn't it?

[Haya de la Torre] The problem of Alfonso Barrantes is very particular, and has several pieces of evidence with which to clearly judge it. In the first place, the group with the ideological leadership is the Socialism and Participation group, including Federico Velarde, Hector Bejar, and others. They are the ones providing it with the theoretical, ideological, and program-related platform. They are the ones devising a proposal that will be the topic of a far more lengthy debate. It is a group that has had the same ideas since General Velasco's time, including the first period of Alan Garcia's government. Some of them collaborated, and have now become ideologues of Alfonso Barrantes. The other secondary sectors are accessories, lacking consistency and even the political force of Socialism and Participation.

[Torres] On what do you base your differences with the Socialism and Participation group, and what alternative do you propose if the left should win the 1990 elections?

[Haya de la Torre] The debate going on in United Left is more associated with political strategy than with the matter of preparing to win the 1990 elections. The problem lies in the concept to be pursued beyond the elections. Socialist Convergence is thinking only of a leftist government that would manage the crisis in the system, without making deep-seated transformations because, as they claim, such measures would generate a military coup. We, on the other hand, do want a deep-seated transformation of the society, because during the past 3 decades we have tested all the prescriptions, from Velasco's advanced reformism to Belaunde's neoliberalism and Alan Garcia's heterodoxical concept. None of these alternatives have been a solution to the country's serious social and economic problems.

Political Plan

[Torres] Do you feel it is possible to make revolutionary changes without the backing of progressive sectors of the Armed Forces and the business establishment? What would you do to overcome the barrier that APRA has been unable to overcome?

[Haya de la Torre] We propose a pluralistic, popular, democratic government that would respect and reinforce the democratic freedoms and execute a political plan aimed at expropriating the management of the national economy from the large monopolistic groups and from imperialist capital and, as an alternative, would support a mixed economy. We oppose a political plan that would

seek to "Taiwanize" Peru and convert it into an appendage of international financial capital. In this struggle, we are calling upon sectors of the national business establishment that believe in a development plan of our own, making it possible to liberate our economy from the big monopolies. As for the Armed Forces, I think that they should be won over to this task, all the more so when they have already had experience, during Velasco's time, in developing a national plan. Furthermore, the Armed Forces should play a decisive role in a political plan of this kind. That doesn't prompt us to lose sight of the fact that the right and the imperialists are working in their midst to keep large sectors of officers on their side, using them to repress the advancement of the popular movement and an alternative of independent construction.

Popular Movement

[Torres] Do you agree with or categorically reject a militarist plan or one of the so-called "armed branch" within PUM?

[Haya de la Torre] A distinction must be made between two levels in this respect. We have a strategy based on the development of the mass movement, and we don't believe that a militaristic alternative should replace the dynamics of the popular movement. In our view, that has failed, and will continue to fail because any political alternative outside the bounds of the mass movement has no future. But, at the same time, we consider it important for the people to prepare a resistance if there is a violent reaction from the ruling classes. Therefore, making a demarcation from MRTA and from Sendero Luminoso's dogmatic proposal, we consider the proposition of insurgency legitimate in the event that the people are prevented from exercising the right to govern.

[Torres] Do you sincerely believe that the United Left, as it stands at present, is equipped to govern the country, or must it be radically transformed, as certain leaders have suggested?

[Haya de la Torre] I believe that we are engaged in that process. What is involved is generating a deep-seated transformation in IU. This will be achieved by a mobilization of the rank and file, in short, by the preparations for the congress all over the country. There is a deep sentiment among the members for converting the United Left into a clear-cut political force. This will not occur dissociated from political debates. I think that there are two movements inside the front: the one led by the Socialism and Participation group, and those who defend the most important parties in IU and the Christian sectors.

Political Suicide

[Torres] Do you discern two candidacies of the left for the 1990 elections?

[Haya de la Torre] I think that it would be a mistake. For the present, it is not our intention that this occur. This would be political suicide and would negate any possibility of a popular victory. Although the sentiment among the masses is for strengthening the front's unity, the danger of a split is not precluded.

[Torres] Even though the approval of candidacies is not on the congress agenda, in the hypothetical event that an overwhelming majority were to nominate Alfonso Barrantes, what position would you adopt in this case?

[Haya de la Torre] In fact, the issue of the candidacies is not on the agenda, but the question of tactical lines is. And, in this matter, the electoral participation in 1990 must be considered. In this context, PUM and, I believe, the front's other organized forces, will propose that the election of the presidential ticket and of the candidacies for congress members be by means of a universal, direct, secret voting. If Barrantes wins in that vote, the result of the vote will have to be upheld.

Uruguay

Finance Minister Comments on Economic Situation
PY0112175188 Montevideo *EL DIA* in Spanish
22 Nov 88 p 6

[Text] "We have a controlled situation. We are not experiencing a critical situation as some people have said." This was said yesterday at the Libertad Building by Economy and Finance Minister Ricardo Zerbinio after a cabinet meeting in which anti-inflationary measures were evaluated.

Zerbinio explained that the general outlines of the public budget expenditures were discussed during the cabinet meeting that was called by President Julio Maria Sanguinetti.

He said that this batch of measures is being studied by the government seeking to implement a program that will reduce the fiscal deficit. "We have a controlled situation," he stressed. "We do not have a critical situation as some people have said," he noted, adding that "we have a situation in which the positive factors are meshed with some negative factors, especially those pertaining to inflation and the disappointing advances that have been made, and we have even had some backslides in reducing the fiscal deficit."

"This is why the cabinet meeting was called," he reported, "and at the end of it the President ratified that the policy of reducing the overall deficit of the public sector will be maintained and even expanded in 1989."

He indicated that this is one of the areas where concrete measures will be implemented. "To which must be added measures of a monetary nature regarding credit expansion that will be evaluated and brought into harmony with the objective of reducing the inflation rate.

The supply of products," he added, "is another area that was discussed. As has been announced, the government wants to do away with the administrative obstacles that have in the past made it difficult to supply the market with those products that we know become scarce for one reason or another."

"We are," he said, "facing the prospect of a good tourist season, but we are also facing the prospect that if the flow of tourists increases this will mean an added demand. We must anticipate any negative effects that this could cause."

"It is quite possible that to a certain extent the future expansion of consumer credit will be somewhat slower than it has been up to now," the finance minister said when commenting on the monetary measures that are being studied.

Zerbino also indicated that "the volume of investment will not be affected," and thus "a negative effect" is not expected "in the employment sector." He added that it is thought that next year "there will be a 1-percent increase in employment."

He stated that the inflation estimate for 1989 "will be announced later on, when we release the overall program for that year. We are playing around with some ideas but this is not the time to make any announcement."

Zerbino then said that it must be clearly stated that the rate of investment "will be maintained at the same level as in 1988. Public investments have played an important role, because the projects financed by the budget grew from approximately \$77 million in 1985 to almost \$160 million in 1988. In other words, public investments have grown significantly during the past few years. This increase promoted reactivation and filled a gap left by private investment. The objective however, is not to continue increasing public investments. The growth of public investment must be carefully tuned to the needs so it should now be kept at the 1988 levels."

Zerbino explained that "we have new programs in the agricultural and livestock sector (animal health, agricultural technology), in the education and health sector (construction of hospitals), and we will have to reorganize the investment program somewhat. It is quite likely that investments in some areas will slow down somewhat. I am not saying that this will affect investments in public works or by the Public Works Ministry. There are regional development programs related to rice and milk production."

The minister added that "we intend to harmonize the various aspects and take into account new programs. We might have to cut investments in other areas somewhat. In sum, we will have a better balanced investment program that will help the productive and social sectors."

Zerbino said that there are new projects that will be started in various sectors, and new projects are being proposed. Some highway projects may have to be slowed down.

"But as we have stated, the investment volume will not be affected. People should not fear that the employment rate will be affected. We estimate that the employment rate will increase by 1 percent next year. In other words, the government is working on an all-encompassing program which will increase job opportunities and reduce unemployment."

Zerbino said that "the package of measures adopted by the government will not necessarily have a simultaneous impact. It is important that the public and all involved agents be aware of the path being followed by the government so that they can adjust their production, their plans, and their expectations to this path."

He said that "it is obvious that some measures will have a more immediate effect—such as those relating to the supply of products, which still remains to be solved, and those relating to the cutting of expenditures—but most measures will be reflected in the 1989 expenditure level."

Zerbino also said that the measures regarding credit are still under study. He added that "the future extension of consumer credits will be a bit slower. This is one of the aspects on which we need to make adjustments and evaluations with the economic team."

He went on to say that the measures "should not be looked upon as an attack on any sector in particular. Sometimes there are people who want to say that there is a confrontation between the Economy Ministry and some sectors when there is no such confrontation. It is not our practice to make any particular sector responsible for the evolution of prices. We have never blamed farm producers for price increases."

He said: "The country needs to make an effort to reorganize a policy that has not changed. We need to put into operation instruments and to implement some measures to achieve our objectives. We are not facing a critical situation, only experiencing an accelerated inflation. Some figures are higher than we planned, but no one should expect that next year, which is an election year, the government policies will change. The government is announcing new goals to reduce the fiscal deficit and hopes to achieve that goal."

He added: "Next year is an election year; therefore we have a greater commitment to keeping the present government policy. This policy has suffered ups and downs because of the mistakes we may have made and because of external factors that acted contrary to what we expected. Generally speaking, the prospects for next year are good. We expect to have a growth of 4 percent. This

growth will begin at the end of this year. We have good prospects for exports. In this regard we expect a growth of 9 or 10 percent next year. The prospects for tourism are also very good."

Regarding fuel prices, Zerbino said that "it depends on various factors from various sources. International prices suffer large fluctuations. We do not know what will happen but we do know that the country cannot be held hostage to the decisions taken abroad. This issue creates concern. We have to wait to see what happens in the market and we also have to keep in mind the interests of the country and of other sectors in relation to this issue."

Suriname

Premier Claims 'Important Progress' on Talks
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in Dutch 28 Nov 88 p 3

[Unnamed "own correspondent" report: "Surinamese Government Optimistic About Talks With Brunswijk"]

[Text] Schiphol— The Surinamese Government expects to achieve a breakthrough shortly in the negotiations with Ronnie Brunswijk's Jungle Commando on the armed conflict in eastern Suriname. In the short term, there can be no question of a full peace agreement, but the talks with the Jungle Commando "are developing well." Surinamese Prime Minister Arron expects to be able to announce important progress within 2 weeks.

Arron made this clear at Schiphol Airport yesterday at the beginning of a week's visit to the Netherlands. Together with the two other chairmen of the Front for Democracy and Development—Surinamese National Assembly Chairman Lachmon and Social Affairs Minister Soemita—Arron will hold talks in the coming week with Cabinet members, parliamentarians, and Queen Beatrix.

The "goodwill mission" of the three Front leaders (the winners of the Surinamese elections in November last year) aims primarily at reaching a firmer agreement on the resumption of Netherlands development aid to Suriname. In the period leading up to May next year, the Netherlands has promised Suriname "transitional aid"

worth 100 million guilders. According to a special development aid agreement, Suriname has an entitlement of a total of 1.6 billion guilders from the Netherlands.

Aid was suspended because of the so-called "December murders" by the Surinamese army in 1982. Since last November's parliamentary elections, development aid has begun again, if somewhat cautiously. For the Netherlands, the full resumption of development aid is only possible if peace is reached in eastern Suriname and if the Surinamese Government produces a sound economic recovery plan.

Yesterday Prime Minister Arron hinted that important progress has been made in the negotiations with Ronnie Brunswijk's Jungle Commando. "The restoration of interpersonal relations must be left to Suriname itself. We have no need for influence from outside," said Arron, who was unwilling to provide any details of the situation in eastern Suriname.

Tomorrow the Surinamese delegation will hold talks with Prime Minister Lubbers, Foreign Minister Van den Broek, and Development Aid Minister Bukman. At these talks the Surinamese side will point out that a peace settlement for eastern Suriname cannot be made an absolute condition for a (partial) resumption of development aid.

Like the Netherlands Government, the Surinamese Government takes the view that development aid must benefit the whole Surinamese population. However, yesterday Prime Minister Arron pointed out that "it is physically impossible" for his government "actually to get development aid to the whole country." A delegation of Netherlands Second Chamber deputies who visited Suriname earlier this month reproached the Surinamese Government chiefly with its failure to produce any overall economic recovery plan for the coming years.

The Surinamese delegation does not consider justified the concern being voiced in the Netherlands over the events surrounding a Surinamer, Panday, who was found dead in a cell earlier this month after returning to Suriname from the Netherlands. There is no reason to suspect that the Surinamese Army had a hand in Panday's death, National Assembly Chairman Lachmon said. "There has been no suggestion of a human rights violation. It appears from all official reports that it was a case of suicide. The man presumably panicked for some reason or other."